

## Britain builds up balance of payments record

Britain's surplus on the balance of payments reached £2,610m in the third quarter of the year, bringing the accumulated surplus for the first nine months of 1977 to £5,431m—by far the highest figure ever achieved, even in a full year.

## Surplus of £5,431m creates problems

But it has long been the intention to phase out sterling's official reserve role, and the build up of privately-held sterling balances is clearly unsatisfactory in this context. Apart from the inflow of capital, the Government has made the money supply more difficult to control. Money supply growth now exceeds the Chancellor's target, and this was why the pound was allowed to float freely on the foreign exchanges at the end of October.

Until then the Bank of England had been preventing a rise in the exchange rate by purchasing foreign currencies, and matching these purchases with sales of sterling to the full extent required.

Yesterday's figures show that there was a surplus on the current account of £2,610m, and a surplus on the balance of payments of £2,610m.

But even so, unless there is a sudden collapse of foreign confidence in Britain, the total for the year is certain to be unprecedently large. This is in sharp contrast to the position in 1976 when there was a deficit of £2,610m.

However, this year's surplus is also creating considerable difficulties for economic planning. Some components of the capital inflow are unwelcome, particularly the so-called "hot" money which could quickly flow out again.

It is hard to know how much of the inflow is "hot" money: but rough calculations suggest that between £2,500m and £3,000m could come into this category.

Much of this money has been invested in government stocks. Treasury bills, sterling certificates of deposit and other financial assets.

It is the fear of a sudden reversal of these money flows that has made the Government respond so cautiously to suggestions that it should make premature repayments of our foreign debts or relax foreign exchange controls.

The second problem created by this "hot" money is that it increases sterling's role as a reserve currency, and capital transactions at a time when the Government is committed to reducing the pound's historical role as a reserve currency.

In a strict sense this refers to the sterling reserves held by foreign governments, rather than the holdings of corporations or banks.

There seems to have been an investment by private non-residents of at least £185m in government stocks in the third quarter, bringing the total to more than £500m in the first nine months of the year.

There was also an identified investment in the July-September period of £323m by private non-residents in Treasury bills and other financial assets, bringing the total this year to around £870m.

The overseas investment in government stocks this year is alone more than five times higher than such investment in the whole of 1976.

At present universities have no separate quotas for overseas students. Where they do impose a limit on the total student enrolment they allow competition between overseas and home students. Over the past six years the proportion of overseas students in British universities has grown to 12 per cent, or an eighth of all students.

There are now about 34,000 overseas students in universities. Applications received for entry next year indicate that overseas admissions will continue to rise at a faster rate than those for home students if present admission policies continue. Even if restrictions were imposed they would have great difficulty in reducing numbers to the 1975-76 total of 31,500.

Under the Race Relations Act, 1976, the educational provisions of which came into force on September 1 this year, the establishment of separate quotas for overseas students would be illegal. However, Mrs Williams, Secretary of State for Education and Science, has invoked section 41 of the Act to enable overseas numbers to be reduced next year under arrangements approved by her.

The committee says in its latest newsletter that the limit on numbers is necessary if a university exceeds the approved number, that is its total in 1975-76, the arrangements do not receive the approval of State's approval, and the university will have operated a quota system in breach of the law.

The admission procedures were not capable of being applied with the degree of precision contemplated by the approved arrangements. Sir Roy Marshall, secretary-general of the committee, said yesterday.

On tuition fees, the committee has advised universities to continue to operate the same definitions of "home" and "overseas" students for fee purposes as before the Race Relations Act came into force.

On university finance, the committee says, "critical point" has been reached in the continuing fall of recurrent income as a student from the Government. A further fall would inevitably mean a reduction in the standards of teaching and research.

Sir Roy Marshall referred yesterday to government figures provided in a Commons written reply on Monday that showed that the universities' average income a student by way of recurrent grant and tuition fees had fallen in real terms over the past five years from £2,825 in 1973 to £2,563 in the present year, and that it was expected to fall further to £2,300 in 1980. (All prices are at 1977-78 levels.)

At least £20m more is needed in the way of capital finance from the Government to provide for the expected enrolment of 290,000 by 1980, the committee says.

The NUJ has called an emergency meeting on Monday to plan stoppages where support exists among the hundred newspaper titles owned by Westminster Press in addition to those already involved in the strike.

An NUJ motion urging unions not to deal with members of the rival, non-TUC, Institute of Journalists was rejected.

The NUJ has called an emergency meeting on Monday to plan stoppages where support exists among the hundred newspaper titles owned by Westminster Press in addition to those already involved in the strike.

With one stop at Bahrain, the new service is planned to fly passengers from London to Singapore in nine and a half hours, compared with the fastest subsonic flying time of 15 hours. When the London-Singapore air route opened, 44 years ago tomorrow, the journey took nine and a half days.

The aircraft will be painted in British Airways livery on one side and Singapore Airlines livery on the other. The single fare is £754.30, compared with £656 first-class single by subsonic airliner.

## Commons to debate Polish deal subsidies

Britain may pay well over half the real cost of the £115m Polish shipbuilding order, which has been hit by industrial trouble, but Department of Industry officials insist that the complex deal is aimed at getting most of the money back. They said yesterday that the eventual cost to the Government would be the order's actual subsidy, believed to be between £25m and £30m, and the cost of credit for much of the Polish share.

Details of key aspects of the agreement with the Poles are still being kept secret more than a fortnight after the deal was signed by Mr Varley, the Secretary of State for Industry.

Despite Mr Varley's assurances that the financing terms had been approved by the European Commission, suspicion has mounted among British shipowners that Polska Zeglarska Morska (PZM), their state-owned opposite number in Poland, had gained considerable help from the British taxpayer.

Fred Emery writes: The Conservatives are to initiate a Commons debate next Monday on the deal. It was learned last night that the Chamber of Commerce is making its choice of Opposition business on its supply day, was aware that the Government might seek to defate the debate's impact by belatedly publishing details of the contract.

But senior Conservatives, as they have indicated with recent questions to Ministers, believe that the whole question of the amount of subsidies involved are an urgent public issue, regardless of whether the figures are disclosed by Monday.

One valid reason for the Government's delay, it seems, is that the contract still has to be finally signed. This completion is expected before the weekend, and could then lead to release of the full details—including whether the Government subsidy to the yards involved is as high as the £85m reported.

The Tories will probably not push the issue to a vote but the Government came clean with all the details by the end of the debate; but that remains to be seen.

In the Commons yesterday, Mr Nicholas Ridley, Conservative MP for Cirencester and Tewkesbury, called for an immediate statement by Ministers on the financial arrangements for the deal. His call for an emergency debate on the grounds that the deal would cost taxpayers £85m was turned down by the Speaker.

Pointing to the large quantity of money involved and the "extremely advantageous nature" of the contract, Mr Ridley said: "It makes the recent scandal in relation to the Crown Agents seem like a picnic tea party."

He argued that the facts should be given by the Government, which he said was refusing to disclose them "despite their protestations that it belongs in open government."

In a written reply to Mr Michael Grylls, Conservative MP for Surrey North-West, Mr Gerald Kaufman, Minister for Industry, disclosed that the Anglo-Polish company set up to control the shipbuilding venture would have a British president and a Polish managing director. Both countries would also nominate one director each to the four-man board.

He explained that the United Kingdom members would be nominated by the state-owned company.

Continued on page 21, col 3



Eyes fixed on the conductor, Philip Spencer, aged 10, of Hazelrigge School, Clapham, London, awaits his cue at the 1977 Schools Steelband Festival at the Commonwealth Institute, London, yesterday.

## London lift men vote for return to work

By Our Labour Staff

Lift engineers whose strike has caused misery to council tenants, office workers and others will end a series of meetings tomorrow that will determine if there is to be a return to work next week.

They are members of the Electrical, Electronic, Telecommunications and Plumbing Union.

The London area, the largest, with 1,400 members, voted yesterday to accept a peace offer. Other areas are solidly against ending the stoppage, notably the Glasgow district, with 180 members.

The London vote was crucial and there will be peace, voting has been divided into 2 areas, and the outcome will be known tomorrow afternoon when Southamptons and Liverpool have decided.

The 4,000 strikers are voting on an offer that would raise the industry's wage bill by about 10 per cent, giving a 10 per cent rise to £14.18 and £17.14, providing new rates of nearly £48 to nearly £64. The industry works heavy overtime and earning would increase between £9 and £13.

The union is thinking of lodging a productivity claim in addition. It is also proposing to negotiate a code of practice on safety with employers.

## Woman psychiatrist awarded £243,309

Record damages of £243,309 were awarded in the High Court to Dr Lin Poh Choo, a woman psychiatrist who, in the words of Mr Justice Bristow, was condemned to a "living death" by a hospital blunder while undergoing a minor operation.

The award was against Camden and Islington Area Health Authority, which admitted negligence. The judge said that Dr Lim was in a terrible situation as a help-

less invalid. He had to do all he could to ensure that her award was protected against inflation. Because of the size of the award he granted a stay on the £131,000 of the damages pending an appeal. Dr Poh Sim Ploveright, Dr Lim's sister, said later: "It is one of those cases that make you wonder whether euthanasia could be a possibility."

Page 3: Law Report, page 20

## South Africa jobs code bars racism

A code intended to eliminate racial discrimination over jobs and pay in South Africa has been announced by the country's ten biggest employer organisations, representing 30 per cent of commerce and industry. Outlining the details, a spokesman denied that it was inspired by pressure from abroad.

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## Mr Kitson splits left

Labour's internal feud over relations with east European communists flared up at a meeting of the party's international committee. The left was fiercely divided over the views of Mr Alex Kitson, who again insisted that Pravda had misrepresented his recent speech in the Soviet Union. Mr Fox criticised his views.

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## Sir John Kerr leaves office

Sir John Kerr, the Australian Governor-General, who dismissed the Whitlam Government two years ago, has ended his term of office. He announced his resignation in June because of the controversy that continued over his decision. He was succeeded by Sir Zelman Cowen, former Vice-Chancellor of Queensland University.

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## Anger at power cuts in France

Random electricity cuts imposed by French power workers in protest at the Government's austerity programme have provoked angry protests from many employees. Some businessmen have taken to the streets to show their concern.

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## Leader page 17

Letters: On police powers of search, from Professor John Riaz; on the government department, from Mr David Howell; on the White Paper, from Mr Trevor Jones.

Leading articles: Barrier for China; Social Security abuses; Arts; page 11.

Home News: 2-4; European News: 4-5; Overseas News: 5-6; Appointments: 18-26; Arts: 11; Books: 10-12; Chess: 21-28; Court: 6; Parliament: 18.

## Inflation index down to 5.8pc

New Price Commission figures suggest that the fall in the inflation rate will persist well into the new year. The commission's own index for last month showed a rise over the six months to the end of November at an annual rate of 5.8 per cent.

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## Kennedy murder files opened

The FBI yesterday opened its files on the assassination of President Kennedy to the public. The files, totalling 40,000 pages, have been made available under the Freedom of Information Act after requests from more than 50 organisations.

Page 6

## Prosecutions for fraud increasing

Prosecutions for suspected social security fraud are expected to rise by a third to 25,000 this year. Mr Orme, Minister of Social Security, said however that his main aim was to prevent fraud.

Page 2

## Liberation by minibuses

The National Bus Company is launching a campaign to encourage village communities to run self-help minibuses. A retired headmaster who is secretary of a successful Norfolk scheme said the service had liberated people socially.

Page 4

## Urban crisis warning: Mr Michael Heseltine, Conservative spokesman on the environment, says the urban crisis will worsen

Gwent: A two-page Special Report on industrial development in this Welsh county.

Page 14, 15

Features, pages 18 and 19: Road: 2-4; The Crown Agents; Philip Howard on the definitive record of the architecture of Sir Christopher Wren; Fashion by Prudence Glyn.

Sport, pages 8 and 9: Cricket: Tony Greig reappointed captain of Sussex; Football: Gerry Francis on transfer list; Geoffrey Green sees Oxford via university match; Golf: problems for Britons on eve of World Cup Business News, pages 21-28; Stock markets: On a light demand the FT index closed 4.3 up at 485.3. Gilt-edged stocks rose up to three-fifteens.

Financial Editor: Burton's long road back; Pilkington: float glass sums for the future; Hanson Trust: The strategy still looks right.

Business features: Ronald Pullen explains why the credit card companies are having to reassess their operations; Peter Norman discusses in Economic Notebook the fresh troubles besetting the European currency "snake".

Business Diary: A host of changes at the top for British Airways.

## Israel ready to sign Sadat pact as step to overall peace

By David Spanier  
Diplomatic Correspondent

Israel was prepared to sign a separate peace treaty with Egypt if President Sadat should come to the conclusion that the other Arab states were not willing to join in, Mr Begin, the Israeli Prime Minister, said yesterday.

But such a treaty, Mr Begin emphasized, would be only a first stage towards a comprehensive agreement of peace between Israel and its Arab neighbours. It was this comprehensive agreement which Israel was seeking and had remained hopeful that there would be a Geneva peace conference.

Mr Begin, who left London yesterday after his five-day visit, added that the Egyptians had said they expected the coming negotiations in Cairo to last for several weeks. That was fine with Israel. Asked if he would be going to Cairo, Mr Begin did not rule out the idea, but said he would do so when invited.

Looking none the worse for the stomach upset which had led to his cancelling his engagements on Tuesday, Mr Begin gave a press conference before his departure, at which he revealed a ready wit but kept his diplomatic cards well hidden.

Asked whom he thought "the true representatives" of the Palestinian Arabs might be, he had said earlier in the week that Israel would talk to them. He replied tersely: "We shall find them," which drew a laugh. Asked what he might offer to King Hussein, he said equally briefly: "We have many offers to make to him," without elaborating.

Mr Begin was highly entertaining, however, in describing his early life and how, after being a prisoner in the Soviet Union, he landed up as a private in the Polish Army (apparently his life is to be made into a film), which was how he got to Palestine.

"I was in your country once," he told a former Soviet ambassador, "but not in good conditions," the envoy replied, which Mr Begin recalled yesterday as a classic example of Russian understatement.

One of the requests he made in London of Mr Callaghan was to intercede with the Soviet authorities on behalf of Jewish prisoners of conscience. He also sought the Prime Minister's assistance in persuading President Assad to allow 300 Jewish families to leave Syria. They were the remnant, Mr Begin said, of a great community of 150,000 people.

The mantle of history seems to be round Mr Begin. He described yesterday his sense of elation in becoming President Sadat. Although it was probably chance, Mr Begin said, that had made him the first Israeli Prime Minister to pay an official visit to Britain, he clearly felt that something of the spirit of the days of the Balfour Declaration 60 years ago, had been revived during his stay.

The British role, Mr Begin would with it, seems quite a simple one. He has asked the Prime Minister to dissuade the members of the European Community from making statements which might interfere with the prime objective of direct negotiations between Israel and Egypt and, if possible, the other Arab countries.

Nor does Mr Begin see the American role as a participating one, at least so far as guarantees are concerned. "Israel does not rely on guarantees," he said firmly. "We have made it clear several times. We have to make it even clearer today. In the whole world there is no guarantee that can guarantee an international guarantee."

He added: "We do not want anybody to shed their blood for us. When we talk about a peace treaty we mean as established by international law. Peace comes after war."

Photograph, page 6

## Egypt closes Soviet cultural centres

From Our Correspondent  
Cairo, Dec 7

Egypt today closed down the cultural centres of the Soviet Union and other Eastern bloc countries in retaliation for Moscow's bitter criticism of the Soviet Union's Middle East peace moves.

The cultural centres closed are those of the Soviet Union, Poland, Hungary, Czechoslovakia and East Germany in Cairo and Alexandria, and these countries' consular offices in Alexandria, Port Said and Aswan have also been shut.

Mr Mamduh Salem, the Prime Minister, told the People's Assembly (Parliament) that the centres were used for "Marxist and communist propaganda instead of informing the Egyptian people about the civilization, history and traditions of their peoples."

Mr Salem also accused the Soviet Union and East European countries of "infiltrating popular organizations and trade unions in violation of all agreements regulating these centres' activities."

Egyptian-Soviet relations have been deteriorating since President Sadat expelled about 20,000 Soviet military advisers in July, 1972. He later accused Moscow of denying him weapons to make up for Egypt's losses during the war with Israel in October, 1973, and also complained that the Soviet Union had turned a deaf ear to his repeated request to reschedule debts owed to Moscow, estimated at more than \$5,000m (£4,400m).

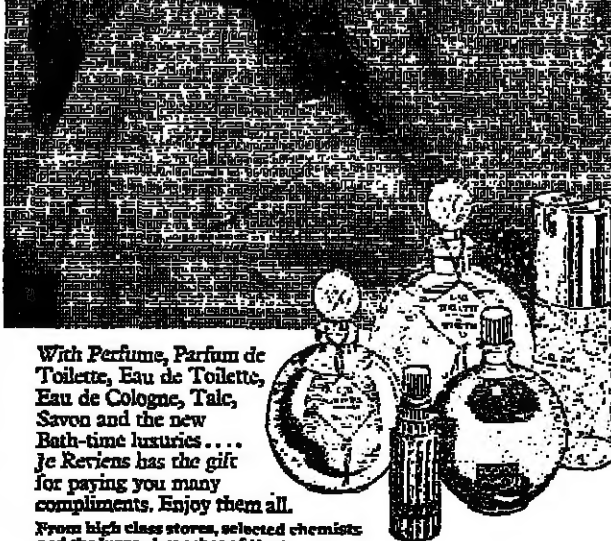
In 1976, Egypt abrogated a friendship and mutual cooperation with the Soviet Union and cancelled facilities for Soviet naval vessels at Egyptian ports.

Two months ago President Sadat decided to stop paying instalments of military debt for 10 years as from next month. He said Egypt was not shunning its commitment to repay debts but only seeking a grace period.

The Soviet Union has attacked the Sadat visit to Jerusalem and his peace initiatives and rejected an invitation to attend the Cairo meeting planned to prepare for the resumption of the Geneva conference.

Russian peace move, page 6

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## HOME NEWS

## Labour call for replacement of mortgage tax relief by universal subsidy at basic rate

By Christopher Warman  
Local Government Correspondent

The Labour Party yesterday called on the Government to replace the present system of mortgage tax relief with a universal mortgage subsidy at the basic rate of income tax.

The party said that the present system of mortgage tax relief, which allows a deduction from taxable income of up to £3,000 a year, is a regressive system which benefits the better off more than the worse off.

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## Court case mother still unhoused

By Our Social Services Correspondent

Miss Jennifer Davis, the mother of a child who was the subject of a court case, is still unhoused.

Miss Davis, who is a single mother, has been living in a temporary accommodation since the court case. She is still looking for a permanent home.

The court case was about the custody of her child. She was ordered to pay maintenance for the child, but she has not been able to do so.

Miss Davis returned to the court yesterday to argue her case. She said that she was still unhoused and that she was unable to pay the maintenance.

The court judge said that he was sorry that Miss Davis was still unhoused. He said that he would try to find a way to help her.

Miss Davis said that she was grateful for the judge's help. She said that she was still looking for a permanent home.

## Safety-belt fine a maximum £50

The proposed new law that will make it compulsory for drivers and front-seat passengers to wear safety belts is being challenged by a group of motorists.

The group says that the law is too strict and that it will be too difficult to enforce. They say that they will fight the law in court.

The law will make it compulsory for drivers and front-seat passengers to wear safety belts. It will also make it compulsory for rear-seat passengers to wear safety belts.

## Proof of 'drugged children' allegation demanded

By Mark Jackson, of The Times Educational Supplement

Allegations by a sociologist that many British schoolchildren are being drugged to help them concentrate in the classroom are being challenged by teachers and psychologists.

The sociologist, Mr. John Taylor, said that he had found evidence that many schoolchildren were being given drugs to help them concentrate. He said that he had found evidence that many schoolchildren were being given drugs to help them concentrate.

Teachers and psychologists said that they did not believe Mr. Taylor's allegations. They said that they had never seen any evidence that schoolchildren were being drugged.

## Urban crisis worsening, Mr Heseltine says

From John Young  
Planning Reporter

Present government policies for solving the urban crisis would worsen, not improve, the deteriorating situation, Mr. Michael Heseltine, Conservative spokesman on the environment, told the Town and Country Planning Association, meeting in Birmingham yesterday.

Mr. Heseltine, who was speaking on the occasion of the association's annual conference, said that the government's policies for solving the urban crisis would worsen, not improve, the deteriorating situation.

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## Master of Queen's Music blames work pressure for failure to finish symphony

By Martin Huckerby  
Music Reporter

Malcolm Williamson, the Australian composer, explained yesterday that his failure to complete his symphony for the Queen's jubilee was due to work pressure.

Mr. Williamson said that he had been working on the symphony for a long time, but he had not been able to finish it. He said that he had been working on the symphony for a long time, but he had not been able to finish it.

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## Disputes cost Times Newspapers £1m this year, Sir Denis Hamilton says

By a Staff Reporter

Sir Denis Hamilton, chairman and Editor-in-Chief of Times Newspapers, said last night that the company had lost £1m from disputes this year.

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## Tameside's school selection was 'not unfair'

By Annabel Ferriman

Tameside education authority did not contravene the Sex Discrimination Act in its selection of pupils for two grammar schools last year, according to a report by the Equal Opportunities Commission yesterday.

The report was the result of a 14-month investigation into the authority's selection procedures. Some parents and others had complained to the commission that they were discriminated against.

The commission found that although Tameside, in Greater Manchester, accepted 135 boys and only 99 girls for the two schools, and although one of the schools was reserved exclusively for boys, it had not broken the Act.

## Record damages of £243,309 for woman

Record damages of £243,309 were awarded in the High Court yesterday to Dr. Lim Poh Choo, a woman psychiatrist, who, in the words of Mr. Justice Bristow, was condemned to a living death by a hospital blunder while undergoing a minor operation. With interest, the damages are likely to exceed £250,000.

After making the award, the judge asked: "Does this, for a person condemned to a living death, look too much?" The figure was £243,309. Dr. Lim was only 41 and had to be looked after for the rest of her life.

Dr. Lim, a former senior psychiatric registrar at Friern Hospital, New Southgate, London, suffered extensive and irreversible brain damage at the Elizabeth Garrett Anderson Hospital, London, in February, 1973.

She had been admitted for a womb scrape. At some point the anaesthetist, Dr. Lim, then aged 36, suffered oxygen starvation to the brain because of an anaesthetist's error.

## Meat production falling and exports increasing

By Hugh Clayton

Meat production in Britain is falling even though the Government's industrial strategy demands increased food output at home to save imports.

Figures issued yesterday by the Meat Producers' Federation show that meat production in Britain has fallen for the third year in a row. The figures show that meat production in Britain has fallen for the third year in a row.

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## Three found guilty of desecrating Peel's grave

Three anti-blood sports campaigners were found guilty at Carlisle Crown Court, Cumbria, yesterday of desecrating the headstone and digging up the grave of John Peel, the huntsman.

David Hough, aged 49, a former company director, of Barrow-in-Furness, Lancashire; Michael Hough, aged 24, a postgraduate student of Blacksmith's Close, Abbotsley, Huntingdon; and Gary Treadwell, aged 21, of Ridge Close, Nuneaton, Warwickshire, were found guilty of desecrating the headstone and digging up the grave of John Peel, the huntsman.

The court was told that a call had been made to the Press Association saying the body of John Peel had been dug up and thrown into a cess pit. The call added that he was a member of the Animal Liberation Front.

## BR defends its £16,000 TV advertisement

British Rail last night defended its decision to spend £16,000, one third of the normal rate, on a seven-minute television advertisement, one of the longest shown on British television, at 11.45 on Christmas Day.

As there will be no rail services that day, the 200,000 railwaymen to whom it is mainly addressed will be able to watch Mr. Peter Parker, chairman of the British Rail Board, expounding the virtues of rail travel, and have a preview of posters.

British Rail said that on a television advertising budget of about a million pounds a year the programme represented exceptional value and would soon cover its cost in extra revenue.

## Police pay advance

A £75 advance on back pay is to be given next week to Litcham and Borders police officers to provide them with extra cash before Christmas.

The advance will be given to the officers of the Litcham and Borders police forces. It will be given to the officers of the Litcham and Borders police forces.

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## Background to The Long Search

Ninian Smart examines the world's great living religions; and describes the social, philosophical and historical factors which have contributed to their development.

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The Long Search is a book by Ninian Smart. It examines the world's great living religions and describes the social, philosophical and historical factors which have contributed to their development.

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## The Age of Uncertainty

John Kenneth Galbraith—one of today's most distinguished economists—presents a personal history of the economic and political ideas which have shaped the course of world history.

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## Alistair Cooke's America

He brings to the fore-telling of American history an affectionate but detached perspective.

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## Royal Heritage

A lavishly illustrated guide by J. H. Plumb to the paintings, drawings, jewellery, porcelain, coins and stamps of the royal collection, and the royal buildings that house them. Based on the highly-acclaimed TV series written by Huw Wheldon and J. H. Plumb.

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Royal Heritage is a book by J. H. Plumb. It is a lavishly illustrated guide to the paintings, drawings, jewellery, porcelain, coins and stamps of the royal collection, and the royal buildings that house them.

The book is available for £10.00.

## More Grace and Flavour

In his second BBC cookbook, Michael Smith presents more recipes from Britain's rich culinary heritage. There are twelve complete menus and suggestions for Afternoon Tea and The Great British Breakfast.

45p

More Grace and Flavour is a book by Michael Smith. It is his second BBC cookbook. It presents more recipes from Britain's rich culinary heritage.

The book is available for 45p.

## Play Golf

Peter Alliss explains the secrets of golfing technique, and gives advice for both beginners and advanced players on improving their golf.

£1.75

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The book is available for £1.75.

## Secret Army

This exciting story by John Branson tells how sympathetic civilians in Holland, Belgium and France set up secret 'escape lines' in order to smuggle Allied airmen out of Nazi-occupied Europe.

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The book is available for £3.75.

## Target

The men they once were. Simon Masters' novel features characters from the BBC's drama series. Steve Hackett is the tough and ruthless chief of a Regional Crime Squad, set up to track down dangerous villains.

£3.25

Target is a book by Simon Masters. It features characters from the BBC's drama series. Steve Hackett is the tough and ruthless chief of a Regional Crime Squad, set up to track down dangerous villains.

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## Another stretch of Porridge

The second book about that wily old jailbird Norman Fletcher and his mates, doing time in one of Her Majesty's prisons. Based on the BBC's series starring Ronnie Barker.

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## The Craft of the Potter

An introduction to the pottery art and the secrets of throwing, glazing and decoration. Illustrated with photographs of pottery through the ages.

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The Craft of the Potter is a book about pottery. It is an introduction to the pottery art and the secrets of throwing, glazing and decoration.

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Record Breakers

Roy Castle and Norris McWhirter introduce some record breakers from the BBC's programme. From the four-minute mile to the world's biggest tree, smallest camera, and loudest voice.

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## King Cinder

An exciting story for young people by John Foster, with all the thrills and rivalries of the speedway track.

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King Cinder is a book by John Foster. It is an exciting story for young people with all the thrills and rivalries of the speedway track.

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## Blue Peter Fourteenth Book

The latest Blue Peter book is packed with illustrated features about the people, places and things seen in the past year's programmes.

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## HOME NEWS

## Isolated villagers are 'liberated socially' by volunteer minibuses

By Michael Bailey  
Transport Correspondent

A national drive to encourage more village communities to run self-help minibuses is being launched by the National Bus Company this week.

Experimental schemes in Norfolk, Sussex, and Wales have shown that community buses run by village committees and driven by housewives and other volunteers provide a vital service and are also highly appreciated as a social stimulus.

The National Bus Company sees community buses as the best way of providing public transport in isolated areas. Training village groups and supplying and servicing minibuses could provide useful work for its shrinking depots. Minibuses could also feed traffic into its own services.

Sir Frederick Wood, NBC chairman, said in London yesterday that copies of a new booklet, *With a Little Help from Your Friends*, were going out to MPs and local authorities this week and he envisaged community buses eventually running into thousands. But he emphasized that they would be complementary to NBC services rather than competitive. That is a condition of NBC support, which costs about £25 a week

for supply and service of a minibus.

Mr Clifford Brown, retired headmaster and secretary of the pioneering Norfolk scheme, which has been running for two years, carries about 150 people from nine villages each week and covers all its costs, said the service had liberated people socially. It was a boon to people whose previous isolation had to be experienced to be understood.

At fares as low as 24p for 15 miles, it takes villagers to the shops, the market, the doctor, and the hairdresser, to dances, theatres, and the seaside. In two years it has covered 80,000 miles with 15 volunteer drivers, half of them women, including a milkman, a freelance artist, a potter, a county councillor, a policeman, a farm labourer and a retired group captain. Each works up to half a day a week or its equivalent for no pay. The question of payment has been "discussed and abhorred."

Not all community buses need be financially viable, NBC emphasizes. Some county councils may choose to subsidize their social value where a small gap remains between costs and revenue. *With a Little Help from Your Friends* (National Bus Company, 25 New Street Square, London, EC4A 3AP).

Commercial art galleries, 4: Some of the leading characters

## Dealer bridges the taste gap with charity

By Roger Barthoud

No survey of London's galleries, however incomplete, at this series has concentrated on established West End operators and could overlook the Frost and Reed phenomenon, or the man who presides over it, Mr Christopher Wade.

Frost and Reed, based in New Bond Street, was founded 160 years ago. In 1973 S. Pearson and Son (Lord Cowdrey's group) gained a 21 per cent stake in it, and last year it was acquired in toto by Harlech Television. "Lord Harlech is my deputy chairman. He realizes that television is television and painting is painting," Mr Wade, a large man with a flamboyant manner, said.

The firm is unusual in successfully maintaining a split personality. On the one hand it sells fine, if very decorative, Old Masters and sporting pictures; on the other, paintings and prints of unabashedly popular appeal.

The popular side is to the fore in New Bond Street, the classical side at the Christopher Wade Gallery in Bruton Street, near by. There is a gallery in Worthing, and a big one in Bristol, where the firm's Venture prints are also published.

"As the biggest publishers of prints, fine art reproductions and signed artists' reproductions, if we printed only what you and I liked we should be in bankruptcy," Mr Wade said. Was it true that he earned £56,000 a year? That must have been a bad year, he said; in 1973 he made £94,000 in salary and commission.

That year's profits were £900,000 on a turnover of £2,500,000 to £3m, the result of "assured buying" (and, presumably, assured selling). In the 12 months ended last August he made £32,000, "but we work unconservable" hours seven days a week.

He finds the taste gap easy to bridge with charity and sym-



Mr. Jack Baer (left) and Mr. Christopher Wade.

patry. "If a majority of people like a man's work, and it has technical skill and harmony (like Russell Flint), to denigrate it beyond a certain point is wrong."

"Some of the richest people in the country have the worst taste. We try to educate them and take them gently on the road to Parnassus."

Somewhere on the plains below Parnassus are those who buy the firm's prints, by such as Victor Elford and Ron Folland, ensuring that they figure prominently in the top 10 best-selling prints every year.

Moving from the hectic

Dealers of all hues are unanimous in regretting the virtual passing of the modest, often scholarly, British Collector who, until recently, found a few hundred pounds a year to include his hobby.

Rising costs at home and abroad (increased by the fall of sterling) will continue to make life difficult for the small operator and in particular for those who cope with what Mr. Andrew Patrick, of the Fine Art Society in New Bond Street, called the "frustrating economics" of one-man shows.

Concluded.

wealth of Bond Street to the discreet opulence of St James's, there is a well lined nest of Old Master dealers in Duke Street, Ryder Street and Bury Street, many specializing in seascapes, sporting prints and what could be called dining-room Dutch.

Will they survive the soaring overheads? Mr Jack Baer, the widely liked chairman of the Society of London Art Dealers, who runs Hazlitt, Gooden and Fox, says: "When I started off in Ryder Street in 1948, rent was £200 and rates £100. I have an old lease here, but the commercial rate would be £30,000-£40,000."

How firms are going to continue in the West End, I do not know. Obviously firms are going to have to do more merging or seek outside money."

Dealers of all hues are unanimous in regretting the virtual passing of the modest, often scholarly, British Collector who, until recently, found a few hundred pounds a year to include his hobby.

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Concluded.

## WEST EUROPE

## Power strike against Barre austerity brings employers to streets

From Ian Murray  
Paris, Dec 7

Employers have taken to the streets in public protest this week over the random electricity cuts aimed by the workers to cause the maximum disturbance to industry but the minimum possible to homes.

Since last week's national strike, the staff of the Electricity of Gas de France (EGF) have been staging a sort of rolling strike around the country on the request of the Communist CGT and the Socialist CPDT.

This action was taken by the left wing unions after the employers' organization complained the power cuts on the day of the strike itself as "brutal and intense".

The strike on December 1 was called by the unions in protest at the Government's austerity programme since M. Barre became Prime Minister last autumn. This has meant that wage increases have barely covered the rise in the cost of living.

Power cuts of up to an hour at a time have been felt all over the country as a result of the decision to continue the electricity strike. The cuts tend to occur during the mid-morning and afternoon. They are due to end tomorrow as the 130,000 workers involved are meant to resume their normal duties.

At the same time, the railwaymen are due to start a four-day strike after the breakdown of talks planned by the union to involve the loss of 10,000 jobs.

There is a possibility of the electricity strikes continuing.

The unions meet tomorrow morning to decide what to do next to force negotiations to reopen. They are claiming a bonus of an immediate 200 francs (£23) plus a realignment of wage scales in an industry where a third of the workers receive only 3,000 francs a month.

M. François Ceyrac, president of the employers' organization, has given warning that the power cuts cannot continue without serious consequences to the economy. This concern has been manifested by several employers who marched through several towns in the south-west yesterday in some cases accompanied by their workers.

After a council of war with senior ministers, M. Barre issued a statement attacking the unions for putting the economy in jeopardy.

This strong statement provoked a strong response from the unions, who said that if their right to strike were in any way interfered with then they would call a full stoppage. The unions are fully aware that their actions are unpopular with the public and kept secret the meeting place for a demonstration in Paris today. But they realize their action is forcing the Government to take notice of their claims.

When the unions meet in the morning they are unlikely to be deterred by the mass of abusive mail they have been receiving. M. Barre, who up to now has been able to ride the unpopularity of his measures by claiming that they are the proper medicine for the country's economic ills, now finds himself faced by dangerous and determined opponents.

## Award for play saved from waste-paper bin

A play which was nearly consigned to the waste-paper basket by its author a year ago has won the 1976 John Whiting award of £1,000. David Lan's play, *The Winter Dancers*, was produced to critical acclaim at the Theatre Upstairs earlier this year.

Mr Lan, aged 25, who was born in South Africa, received the award yesterday from Mr John Faulkner, the Arts Council's drama director.

The 49 entries for the award were judged by Miss Pringle Scates, the actress, Mrs Imvella Wardle, drama critic of *The Times*, and Mr Richard Eyre, the director.

## Busmen protest

Busmen will halt in Nottingham for a time today when crews stop work to hold a protest meeting to discuss "too lenient" sentences on people who attack drivers and conductors.

## More council support for university museums urged

By Kenneth Gosling  
Arts Reporter

Universities with museums and art galleries should set up boards to identify essential needs in terms of staff, accommodation and facilities, a report published today states.

"The situation of these museums," the Standing Commission on Museums and Galleries says, "is progressively deteriorating to the detriment not only of the academic activities of the universities themselves but also of the interests of the public generally."

The commission also recommends that local authorities should accept an obligation to pay the full cost of services provided for the public.

Similar principles, it says, should apply to the general amenity value of university museums and galleries, which are enjoyed by the public and provide important tourist attractions; universities should seek

contributions from the outside bodies concerned.

Local authorities have hitherto taken the view that university museums, having access to national sources of finance and an obligation to care for collections, are already provided for.

The report says local authority contributions are "negligible" when the tourist attractions of establishments such as the Fitzwilliam Museum, Cambridge, are considered.

Arrangements for financing such museums recommended in 1968 did not produce the results hoped for, the report says.

"Reluctantly, we have concluded that in the current financial climate our preferred solution of financial support being indicated in recurrent grants by the University Grants Committee would be unacceptable."

Report on University Museums (Standing Commission on Museums and Galleries; Stationery Office, 85p).

## Lorry driver cleared of manslaughter

A manslaughter accused

While lorry driver accused of crushing a workmate to death while driving a vehicle when its brakes were not fully operational was acquitted on a judge's direction at the Central Criminal Court yesterday.

The driver, Mr Maurice Beech Brown, aged 49, of Acton, London, wept as he left the dock.

Judge John Marmon, QC, stopped the case at the conclusion of the prosecution's evidence.

Mr Neil Denton, for the defence, said that in October, 1976, Mr Brown was moving a tractor unit into the servicing bay at the depot of Alpine Refrigerated Deliveries at Greenford.

He was being guided by a fellow worker, Mr Thomas Kelly, of Harrow. When Mr Kelly gave the signal to stop, Mr Brown put his foot on the brake pedal, but nothing happened. Mr Kelly was crushed and died later in hospital.

## Six-hour course aims to reduce food-poisoning risk

By John Roper  
Health Services Correspondent

Anyone who prepares food, in industry or at home, is to be offered a short course aimed at reducing the rising number of cases of food poisoning.

Mr James Clancey, vice-president of the Environmental Health Officers Association, which is sponsoring the project with the St John Ambulance Association, said yesterday that reported food-borne infections had doubled since 1972 from 5,958 to 11,912. The association believed there was an epidemic in hotels, restaurants and canteens, much of it springing from simple things.

The reheating of meat was particularly hazardous, but even the best hotels cooked large joints, sliced them when they were cold because that was easy, and warmed them for use the next day.

The reheating of meat was particularly hazardous, but even the best hotels cooked large joints, sliced them when they were cold because that was easy, and warmed them for use the next day.

Mr Stanley Garrod, a mem-

ber of the ERA council, said the handling and preparation of food was not given sufficient importance. There had been big changes in habits, and three-fifths of the population now ate out at some time. Many more public houses had started bars, and there had been a big increase in take-away food shops.

There were courses for middle-management staff and supervisors, but the need was to give a short simple course to all who worked with food.

Effective temperature control of foodstuffs, with proper refrigeration always available, would reduce risks significantly. In kitchens, meat joints were often too big (over 7lb), and once removed from the oven cooled too slowly.

The courses, which will teach basic principles of hygiene, will be followed by an examination and a certificate valid for three years. Each course will last about six hours and will cost £3.

Mr Stanley Garrod, a mem-

## Top French jockey held in prison to await trial

From Our Own Correspondent  
Paris, Dec 7

The French champion jockey, Yves Saint Martin, was confined to the prison hospital at Fontenay, near Paris, for eight days today after a driving accident in which two people died and a third was seriously injured.

The 36-year-old jockey, 13 times winner of the champion jockey's Golden Whip, appeared before the examining magistrate at Fontenay although he was severely bruised in the accident early on Monday on the Paris-Chantilly road. He said that he

had drunk several glasses of champagne at a cabaret in the Latin Quarter and had then gone on to a night club in Montparnasse.

He told the court he had fallen asleep while driving his two-ton Cadillac, partly because he was tired after flying back from a race meeting in Japan. His car was said to have crossed the centre line of the road and hit two cars coming in the opposite direction.

He was accused of manslaughter, driving under the influence of alcohol, crossing the centre line and failure to control his vehicle.

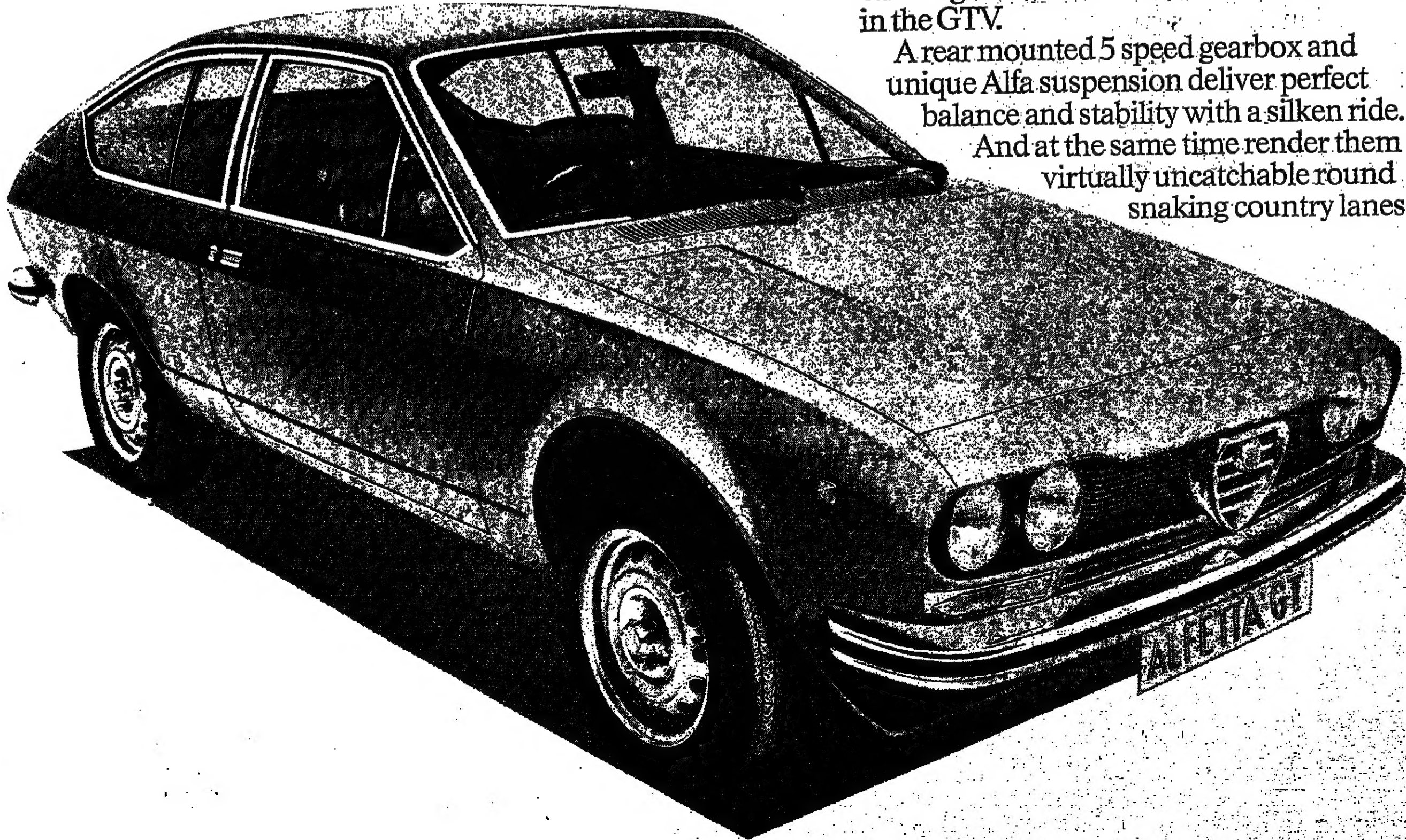
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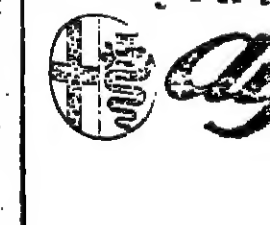
And at the same time render them virtually uncatchable round snaking country lanes.



WEST EUROPE  
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## WEST EUROPE

# Malaga violence leads to Government curb on all demonstrations

From Our Correspondent

Madrid, Dec 7. The Spanish Government is to ban or restrict demonstrations after the violence in Malaga which resulted in one death, numerous injuries and hundreds of thousands of pounds in damages to sacked shops.

A Government statement published here today after a Cabinet meeting said limitations would be placed on demonstrations, especially those having to do with regional autonomy and those organized by parties or groups not represented in the Cortes (Parliament).

Legislation regarding public assembly will be interpreted "according to especially strong criteria", according to the Government. The statement said that in view of the favourable official attitude towards home rule, "new popular demonstrations or gatherings in the streets do not appear to be necessary".

The Congress of Deputies, or lower house of the Cortes, will consider the Malaga violence in a special session probably next week, according to a decision taken by the rules committee yesterday. A congressional committee will be set up to consider the Malaga incidents, investigate the Malaga incidents.

In another development, the organizing committee of last Sunday's "day of Andalusia",

which filled the streets with demonstrators, distributed a statement claiming that the Government's version of the events leading up to and immediately following the fatal shooting of a demonstrator in Malaga is incorrect.

The organizers said the police attacked those taking part in the authorized demonstration without warning, using vehicles and smoke bombs. The majority of those attending the gathering were unaware of the incident in which a youth tried to hang the green and white Andalusian flag alongside the Spanish one on the building housing the office of the provincial delegation of the central Government, but they subjected to riot police charges as they headed peacefully toward a speech which ended the gathering.

The statement denied that the police were surrounded and forced to use real bullets. "The use of firearms took place at the same time as the use of riot-control equipment, at a time when the forces of public order were not surrounded", it said.

The organizers said that, in addition to the young man killed by gunfire, there were two other people hit by bullets, as well as one person injured by a rubber bullet. Ten more civilians suffered fractures, contusions or other injuries.

# Nato given reassurance on US Salt plans

From Henry Stanhope  
Defence Correspondent  
Brussels, Dec 7

Mr Harold Brown, the United States defence Secretary, today tried to allay allied fears about the implications for the defence of Western Europe of the proposed new strategic arms agreement with Moscow. But he flew back to Washington tonight leaving a number of questions still unclear.

Mr George Leber, the West German Defence Minister, pronounced himself well satisfied with Mr Brown's reassurances after a meeting of the Nato defence planning committee.

He had been assured that Washington would not only listen to European views but would take them into account in the final negotiations for the Soviet-American Salt-2 treaty.

So far European doubts have been concentrated upon the implications for sea-launched and ground-launched Cruise missiles, in which Britain and West Germany respectively have a strong interest.

At a press conference in Nato headquarters, Mr Brown was deliberately vague on some of the finer points of the American Salt-2 proposals.

What does seem clear is that the Americans have agreed not to deploy any ground or sea-launched Cruise missiles with a range of more than 600 kilometres during the next three years. This is partly academic because they would probably be in no position to do so anyway during that time.

Development and testing would continue without any range limitations, however, and Mr Brown added that the "United States has made no commitment not to transfer technology to the European allies".

Whether the Americans would actually help countries like Britain—which has a possible interest in a Cruise missile-based deterrent to succeed Polaris—remains unclear. It would seem unlikely, even if there is no agreement to stop them doing so.

Moreover, Mr Brown freely acknowledged that on the expiry of the three-year protocol on Cruise missiles, there would be "strong psychological pressure" to make the range limitations permanent.

This means that, if Britain did decide on a long-range Cruise missile programme, it might have to press ahead on its own and in contravention of a Salt agreement—which is



Mr Brown at a press conference after the Nato talks.

something that could not be considered seriously.

Meanwhile a range limitation of 2,500 kilometres for sea-launched Cruise missiles, to be carried on the American B-2 bombers is being proposed as part of the main Salt-2 agreement which will last until 1985.

Mr Brown made the point that all these matters should be viewed within the overall context of a strategic arms limitations agreement, which is something that the European allies have always strongly supported.

He thought that this two-day meeting of the committee had been one of the most encouraging. He was particularly pleased by the progress made towards achieving the short-term targets for force improvements set for the allies at the summit meeting in London last May. The number of anti-tank guided weapons within the Alliance should have gone up by 47,000 to 193,000 by 1978 as a result of the initiatives, he said.

Some progress had been made toward achieving some of the longer-term targets, though he doubted if by the time of the Nato summit in Washington next year, it would be possible to say they had already been reached.

Even so, after detailing some of the force improvements introduced by the Soviet Union, he thought that the Western alliance still needed to pull up its socks.

Brussels: The United States will end its partial embargo on arms deliveries to Turkey in exchange for a "political gesture" from the Turks to break the deadlock in the Cyprus settlement talks, diplomatic sources at Nato headquarters said today.

President Carter is said to have made the deal a precondition for seeking simultaneous Congressional ratification of the American aid agreements signed in 1976 with Turkey and Greece for \$1,000m (£550m) and \$700m respectively.

This morning Mr Turan Kapanli, the Turkish Defence Minister, had a half-hour meeting here with Mr Brown.

—Agence France-Press.

# British fish claim upsets EEC partners

From Michael Hornsby  
Brussels, Dec 7

Attempts to solve the long-running dispute about how to share out the EEC's fish stocks were adjourned here today until January 16 after Britain put in what several of its partners described as an "astronomical" claim to more than 40 per cent of the total Community catch.

According to Mr Alfons van der Stee, the Dutch Agriculture Minister, the British demanded a catch quota next year of 962,000 tonnes, almost double the 540,000 tonnes originally offered by the European Commission.

British sources described the claim as unreal in relation to the fish that were available. Speaking to journalists after today's meeting of fisheries ministers, Mr John Silkin, the Minister of Agriculture, declined either to confirm or deny the British claim.

He would say only that he had reaffirmed Britain's long-standing minimum demands. These were for a 12-mile coastal belt reserved solely for British fishermen and for a dominant preference, "season's share", between 12 and 50 miles. He had also urged much tougher conservation measures.

Only a settlement along these lines, Mr Silkin said, would take due account of the fact that British waters contained some 60 per cent of the Community's total fish stocks and that British fishermen had suffered more grievously than any others from the loss of fishing opportunities in waters beyond the Community's 200-mile zone.

# Home truths for the Elysee from M Chirac

From Our Own Correspondent  
Paris, Dec 7

President Giscard d'Estaing has invited three senior leaders of the majority coalition to meet him over the next few days. The invitations were made public shortly before M Jacques Chirac, the Gaullist leader, went to the Elysee this evening for a meeting at his own request.

He emerged looking relaxed and smiling broadly and told reporters "I think I was understood, and this pleased me".

Perked up by the opinion poll which showed his party in picking up support, he obviously felt fit to tell the President a few political home truths. The spotlight, long focused on M Barre, the Prime Minister, has swung back on the Gaullist leader.

## OVERSEAS

# Havana unruffled by Young condemnation of its troops in Africa

From Patrick Brogan  
Washington, Dec 7

Mr Andrew Young, American permanent representative at the United Nations, strongly denounced Cuban policies in Africa in a speech to the political committee last night. He said the presence of Cuban troops in Angola, Ethiopia and elsewhere led to death and destruction and he called on Cuba to withdraw.

Meanwhile, in Havana, Dr Fidel Castro was telling two visiting American congressmen that Cuba would not enter into any sort of compromise on Africa. "It has nothing to do with Carter, it has nothing to do with the United States", he said.

Our relations with Africa—that we can't discuss, that we can't enter into any sort of compromise on that," he also said. "If the issue of Cuban-American relations is placed in the context of Africa, the restoration of relations will not advance. We are not ready to enter into any sort of compromise on that."

Mr Young's speech is the latest of a series of statements by members of the Administration criticising the Cuban role in Africa. The White House released last month a detailed account of Cuban troops in a number of African countries, and the State Department has often said that the Cubans are actively disrupting the peace of the continent.

Dr Castro told the congressmen that the Americans had got the figures for Cuban troops in Angola and Ethiopia wrong, but did not say how many were there. He denied that any were

in Uganda, said there were only a few in Equatorial Guinea but confirmed that the number in Angola, reduced sharply after the present regime's victory in the civil war in 1976, had been increased because of that Government's instability.

Dr Zbigniew Brzezinski, the President's national security adviser, saw the two congressmen before they went to Havana, and told them that the only message he had for the Cuban Government was "to get out of Angola". Dr Castro's answer suggests that there will be little progress in improving Cuban-American relations in the near future.

Dr Kissinger sent out a few peace doves in the direction of Cuba two years ago while Secretary of State. They were shot down when the Cubans sent troops to Angola to decide the civil war there. Mr Carter tried again shortly after entering office, and an American office was opened in Havana.

Earlier in the year, Mr Young said that Cuban troops represented a "stabilising factor" in Angola. He has evidently come to the conclusion now that the "stabilisation" involved is of the "order reigns in Warsaw" sort which should be condemned formally.

"We call on the Soviet Union and Cuba to assist Africans in the task of nation-building, rather than contributing to the escalation of death and destruction", he said last night. A week ago, Mr Young said that the Cubans seemed to be supporting military regimes that "maintain power by killing off the opposition".

# Nixon associate must stay in prison until April

From Our Correspondent,  
Washington, Dec 7

John Ehrlichman, once one of President Nixon's closest associates, will not be released from jail until next April. The Federal Parole Board decided today that he should serve 18 months of the prison term which he began in October last year.

The sentence was originally 20 months minimum and five years maximum for his part in the Watergate cover-up and in the Ellsberg break-in. Last autumn, as one of his last acts as a federal judge, Mr John Sirica reduced Mr Ehrlichman's minimum sentence to one year.

Two other Watergate convicts are still in jail, John Mitchell, former Attorney General, and H. R. Haldeman, once Mr Nixon's chief of staff. They are serving the same sentence as Mr Ehrlichman, but went to prison only last summer after their final appeals failed. They were not involved in the Ellsberg case, which went through the courts faster. Only Mr Ehrlichman of the three was involved.

Mr Ehrlichman did not take his appeal to the Supreme Court (as all three did for the Watergate case) and went to jail in Arizona.

The Ellsberg break-in was an earlier operation of the White House "plumbers" who carried out the Watergate burglary. They broke into the office of Dr Daniel Ellsberg's psychiatrist in the hope of finding something discreditable about him. He had leaked the Pentagon papers to the press.

# 'Marshall plan' for Europe urged by Tory

From George Clark  
Political Correspondent  
Copenhagen

An ambitious European recovery programme on the scale of the Marshall Plan was proposed by Mr Geoffrey Rippon, MP for Hexham and leader of the Conservative group in the European Parliament, at a meeting of the group in Copenhagen today. He argued that some new dramatic initiative was needed to take Europe out of its present economic and political doldrums.

If nothing on a sufficient scale was accomplished, he had no doubt that people within the Community would begin to feel disillusioned with the whole system of society in European countries.

Mr Rippon said: "We must be prepared to act generously and imaginatively if we are to succeed in securing the unity of Europe."

# Geneva staff's ultimatum on pay scales

From Our Correspondent  
Geneva, Dec 7

An ultimatum was tabled to Dr Waldheim, the United Nations Secretary General, today by strikers at the Palais des Nations. It asked him to honour the agreement reached last year on general services pay scales and to reexamine the 17 per cent reduction, offset by special allowances, due to come into force on January 1.

By no means all the 3,000 Palais staff observed today's strike call. It was supported by most other United Nations bodies here, in sympathy strikes ranging from an hour to all day.

Strikers took part in a day-long protest meeting in the assembly hall, intended to give scope for expression of all views. A proposal to extend the strike in the absence of any reaction from Dr Waldheim may be put to a meeting tomorrow.

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## RENTALS

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committee. He is known to be opposed to Greig's appointment. Greig, who has resigned Sussex Gloucestershire, Surrey seeking a captain to follow. Erlich had asked Sussex

since 1973, is one of 19 players linked with English counties at present under contract to Kerry Packer. The Test and County Cricket Board will not discuss the matter until after the appeal against the High Court judgment that it was illegal to ban Mr Packer's signatories from the first class game in England.

Mr Greig's appointment is subject to his availability but such a vote of confidence in the former England captain is a sign of the respect that he will be playing for Sussex next season. Mr Cox said: "People have said now is the time to stand up and be counted. Well I have stood and I am firmly associated with the county."

The Sussex committee also announced yesterday that they were not prepared to grant a longer contract to Greig.

fore the first Test, starting in Lahore in a week. In four innings so far he has a top score of 18, because of sickness and having recovered from ailment, plays his first

**Australia make one change to their batting line-up**

critic selectors have attempted to strengthen the batting with only one change in the team to meet India in the second Test at Perth on December 16. A New South Wales batsman, John Dyson, replaces Paul Hibbert, of Victoria. Hibbert, a left-handed player, plays against Western Australia, the match to start this

India to play the Test against India in Brisbane and the selectors have preferred the more consistent Dyson, who scored a century in a Sheffield Shield match against Victoria nearly two weeks ago.

The Indians, rated one of the friendliest teams to visit Australia, flew out of Brisbane today in high spirits despite losing the Test.

Team manager, Polly Umrigar, said they were pleased with their performance and the result could have been better.

Australia scraped home by just 16 runs in a thrilling finish on the fourth day to go one up in the

Dilip Vengsarkar, Australian batsman, has a badly bruised forehead after being hit by Thomson's first innings and will be out of the Western Australia match.

However, Mohinder Amarnath, Indian batsman, performed well in India's first innings, has fully recovered from being struck on the knee and is leading the side.

Fielding close to the wicket, Australia: R. B. Simpson, captain; C. S. Sergeant, G. Ginter, J. Dyson, K. S. Rixon, J. R. Thomson, S. Rixon, J. R. Thomson, T. Tooley. The twelfth man named on the first day.

providing additional evidence, and even thrives in Australia. Competing in Victoria with Australian Rules, in New South Wales with rugby league, and with football wherever the new Australians dwell, one would have doubted the capacity of the Victorians to assimilate any new culture.

It may be true, as an Australian said to me last night, that all these boys will play for Australia, five of them at least. They may play for Australia, and a couple, much the best of course, might just be good enough one day to play in an Australian team. But I doubt if they cannot judge these refinements. But I can say that they all look useful.

They were much too large, and fast, and skilled, for the South African forwards. They were splendidly tucked in, and they were splendidly quick in the field in a practised manner. They have had too much of the Australian touch. They are too much of the athletic sportsman or as skilled sportsman. It is rather absurd, as we were told, to say that they are too strong on this stage, and too fast in matches, for I doubt if there was rushing bonobos in the world. They are too strong in one form or another of football, if not Australian football, will be better than the South African forwards.

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**Boxing**

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decision had been reached after full consideration of the legal and political issues.

involved." This was not a unanimous decision but a large majority of the committee voted in favour, the voting being against three" he added.

Crole-Rees said that some people had taken the view that Crole-Rees was not a "strong" man, "times open to question, and if he did not seem to be giving per cent effort to Sussex."

George Cox, the former Sussex player and a member of the committee, said that "the committee had a vote against Crole-Rees' appointment, and had resigned from the cricket sub-committee. He is to stand for re-election in the mid-Sussex district. B. Griffith, the former secretary

Greig, who has captained Sussex since 1973, is one of 18 players

Since 1975, the board has been made up of representatives from the 16 English counties at present under contract to Kerry Packer. The Test and County Cricket Board will not decide until January 6 whether to appeal against the High Court judgement. "I am sure that the English captain must strengthen Greig's belief that he will be playing for Sussex next season," Mr Cox said: "People have said now is the time to stand up and say 'no' to West. I have stood up. I was firmly against his reappointment."

The Sussex committee also announced yesterday that they were not prepared to grant Greig a release for release for the 1979 season.

Peshawar, Dec. 7.—This fore

## Brearley vis

Festawar, Dec. 7.—This for  
British garrison town, which a  
guarded the great system  
to locate the brightest jewel  
Queen Victoria's Empire to  
welcomed England's cricketers  
although there were some re  
velations about the return  
Brearley. Eleven years ago, p  
in the early days of the war  
England start a three-day ma  
norrow. Brearley, because  
his resistance to some of the  
in a day in a first-class match.

On that occasion he was capt  
ing an MCC under-25 side wh  
in the early days of the war  
given as 312 not out official  
suspicion that, but for a hars  
credited with more. Brearley  
would gladly send for half  
many runs he made in 1966  
he struggles to find his form

## Packer to step up advertising campaign

so far he has a top score of 18, having missed his chance on the

**Australia make one change to their batting line-up**

ban newspapers around Victor  
Football League Park where

Packer intends to step up advertising campaigns here to promote World Series Cricket matches and boost poor attendances at opening games. World Series Cricket officials said an estimated 200,000 would be spent in Melbourne on the first round of the Football League Park where matches are played in Melbourne.

The location of the park, the outskirts of Melbourne, has been blamed by some Packer officials for the disappointing crowd of nearly 14,000 people who attended the three days of last week's opening international match. The organisers have accepted that traditional cricket followers, averse to watching matches at the Melbourne Cricket Ground, the centre of the city, are unwilling to make the hour-long journey to VFL Park.

**Tennis**

**Miss Tyler is beaten in first round**

Michelle Tyler, a British Wimbledon Cup finalist, was defeated in the first round match in a \$20,000 tournament at Crystal Palace, London.

more consistent Dyson, who after being hit by Thom scored a century in a Sheffield first innings and will be

Shield match against Victoria nearly two weeks ago.

The Indians, rated one of the friendliest teams to visit Australia, took one of Brisbane today in high spirits despite losing the first Test. The team manager, Polly Unger, said they were pleased with their performance and the result could have gone either way.

Australia scored home by just 16 runs in a thrilling finish on the fourth day to go one up in the

The Western Australian batsman, Mickinder Anwar, performed well in India's innings, but fully recovered his stroke on the knee. He fielding close to the line.

Australia's R. S. Srinivasan, C. S. Sengupta, G. Lester, J. Dyson, K. A. Hirst, A. Mann, I. Smith, and J. G. Laker, and the Toobey. The twelfth man named on the first day.

Both players are 19 and he

the final set but, in a last-ditch effort, she rallied with errors. She went 6-4, 6-2, 6-1, 100 per cent to Tanya Harford of South Africa.

Both players are 19 and hope to make a name for themselves in their respective countries. Ironically, Miss Tyler always looked like a better stroke player, but lacked the drive and tenacity a true athlete has.

Miss Harford, who arrived in Johannesburg from the courts in Johannesburg, took Miss Tyler's opposition limited the opening set. The British girl, who looked like a professional, was out of her service for her down.

Miss Harford had a comfortable set, but contributed to her own defeat in the second set. Miss Tyler gained some measure of control by winning it, but she

dwell, one would have doubted the capacity of the Union game

to hold its place as a leading sports centre.

It may be true, as an Australian sadly said to me last night, that all these boys will play for Australia, but they will play for the British Empire, for the British Commonwealth, for the British Empire Union, eight at Rugby League, and a couple, much the best of them, for the British Empire Union, one day to play in an Australian Rules Cup Final at Melbourne. I cannot judge these refinements. I can only judge the boys. I can look upon footballers to the te.

They were much too large, and last night they were much too many. Western schoolboys who were by no means a bad side. A substantial crowd, some as many as 100,000, were present. The match on such a wet, cold evening, watched them, and cheered them, and they booed them (there were a few occasions when they deserved a boo, for unreasonably rough play), and they were the Australians led by 12 points.

Linda Mottram made an enco-

**Linda Mottram** made an encouraging but unsuccessful return to competitive tennis following a four-month illness. Leading 6-2 to Billie-Jean King, she secured seed. This first round match was by no means as straightforward as the score suggests as it took Mrs King 58 minutes to overcome some spirited opposition. Mrs Mottram had five points left at 3-0 in the second set, the best spell of the match and then fought off two match points in the final game before going down.

Derek Wyatt, a Bedford wing, the selectors would have

has had to pull out of the London side to play the North in the divisional trial match at Sandway on Saturday because he has influenza. He is replaced by Gordon Wood of Harlequins.

This is a blow to Wyatt's hopes of adding to the cure he gained as a replacement against Scotland in 1976. He has shown consistently good form this season and

to measure his progress against Peter Squirrels, a Lion, and the other players. Wood did not get a chance to stride in the losing South side in the region at Rother last Saturday as tough times coping with West Indian wing, Bob Weir who scored two tries.

## Boxing

draw today from the men's eve  
at Memorial Drive Courts: Bor

[illegible]

he will contest the European title in the near future is inaccurate third professional contest immediate problem is that

speculation, his manager Terry Lawless said yesterday. There is no chance that Magri, 24, with three professional bouts behind him, will box against Franco Udella, the Italian holder of the European title, despite offers from Italy last week. "I never once considered the possibility," Mr Lawless said. "What Magri needs is experience, not 15-round

**CHRISTCHURCH:** World Bank chairman: M. Porras (India) beat

**Billiards**

CHRISTCHURCH: World-owned chain  
billiards. Forrester (India), West  
Bever (England), 2-136 to 801;  
Whymon (England), next G. Canino,  
1-152 to 988.

285 HIGH HOLBORN WC1 01-242 2767

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## MPs seek to change law on work and union issues

there is nothing to offer, and that all the Prime Minister has been able to come back with is another payment to the Common Market? It is apparent that the Labour side can stand up for the majority of the British people who are against the Common Market and were utterly right in 1972. (Laughter.)

Mr Callaghan—That is a repetition of a well known argument with which I totally disagree. One day when Mr Skinner occupied the chair of the House of Commons, he said (Laughter), and joins with his fellow heads of government in discussing these matters, I think he will find that the Labour Party is not in the Community in arriving at a common approach on many problems of world significance, and also what he knows that the world will be able to do without the growing interdependence of our economies makes it much more satisfactory that we should be in the Community. (Laughter.)

Mr Callaghan is arguing the harmonization of affairs in the Community for its own sake. (Cheers.) They have got to do it, it is not a question of whether or not I am there. Otherwise I am just as bad as Mr Skinner is—but not quite. (Laughter.)

**Control of Encampments Bill.** (Amendment) Bill to amend the Local Government Act, 1974, with respect to investigations by Local Authorities of encampments of persons. (Mr Nicholas Edwards, Pembroke, C.)

**Local Government Act, 1974.** (Amendment) Bill to amend the Local Government Act, 1974, with respect to investigations by Local Authorities of encampments of persons. (Mr Nicholas Edwards, Pembroke, C.)

**Duties of Company Directors Bill.** Bill to make provision with respect to the duties of company directors. (Mr Adam Butler, Bexley, C.)

**Internationally Protected Persons.** Bill to give effect to the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, adopted by the United Nations General Assembly in 1973. (Mr William Whitlock, Nottingham, North, Lab.)

**JANUARY 27**

**Employment Protection (Amendment) Bill.** Bill to validate agreements by independent trade unions restricting references of recognised employees to the Conciliation and Arbitration Service and to amend the law relating to the dismissal of employees on grounds of redundancy or other industrial action in connection with recognition issues. (Mr Ian Mikardo, Glasgow, C.)

## Going to Geneva should still be the path for negotiations on Middle East

the other hand, those groups deny being anti-Semitic, and they agree on the inability of one section to agree. We must all work for the unity of the Arab world.

Mr John Davies, Chief Opposition spokesman on foreign and Commonwealth affairs (Nunford, C)—Did Mr Begin not refer to his preparedness to negotiate with the true representatives of Palestinian Arab people and was not that a very important statement? Can he not tell us anything further as a result of these discussions on this subject?

Dr Owen—The fact that he referred to the Palestinians as the true representatives of the Arab people shows he owes a lot to the discussions between the Prime Minister and Mr Begin and it was on that basis that he made a statement. The Arabs are bound to be concentrated. The fact that it came out of the meeting on Sunday was a testimony to the progress made during these discussions.

**Foreign demand for preference cuts**

press and general disapproval used to demonstrate their preparedness for war and to show their willingness and ability to protect the freedom and independence of the world.

Lord Wigg (Lab) said it was not possible to fulfil the commitment to NATO and avoid overstretch unless there was conscription. Once conscription was introduced it would not be possible to maintain Britain's armed forces within a bill which would enable them to meet paid professional recruits.

Lord Chalfont said NATO had allowed itself to be overruled by changes in Soviet foreign and military policy and by advances in technology or modern weapons.

NATO had become debilitated by a

Each year the Soviet Union increased its defence expenditure by something like 15 per cent. They had 11 per cent last year, 10 per cent of their gross domestic product on defence; nearly three

Zealand, Iran, South Korea and South Africa. It might well be that the internal policies of some of these countries were repugnant, but none of them posed an immediate threat to the security, liberty and survival of the West. There was ample evidence that the Warsaw Pact countries did pose such a threat.

Lord Valsby said they were cutting the defence budget as part of the general policy of restraining public expenditure... up to a point he was

supporters of this policy as twice as much as the cost of the war. It had lost one of control. There was now room for substantial expansion from the 1945 level. The Government's substantial public expenditure increases since there were more than 1,500,000 people unemployed.

**Viccount Amery (C)** said the Conservative Party should give commitment to restore defence expenditure to the level of 1945. It was irresponsible even in the light of the recent economic situation.

**Lord Monckton of Breanchley (C)** asked the morale of the forces in the light of the fact that the Government had nearly 40 years in uniform. One of the reasons was pay.

He said that the forces were professionals was beginning to go out of the window. They used to be trained men and first class equipment. Now they had equipment in the hands of the civilian population. In Britain they had some of the men and not the equipment.

**Lord Chesham (C)** said that in spite of the millions of words and the 25 years the preponderant strength of the Warsaw Pact forces had been reduced to one or two tanks or one weapon or one vehicle.

**Lord Strathearn and Mount Royal (O)**, for the Opposition, said for Britain to be able to stand up to the balance of defence spending in the middle of negotiations about mutual disarmament would be a very good thing for the country's bargaining position.

Britain's Nato allies were bound to be tempted to follow their example because they had been told that it was an excuse or ample justification for them to make similar cuts.

Consequently as a result of the six opinions produced by Mr Benn and Mr Hesley for the use of North

**Consumer Safety Bill** to make further provision for the safety of consumers. (Mr Neville Trotter, Tynemouth, C.)

**FEBRUARY 5**

**Estate Agents Bill** to make provision with respect to the carrying on of, and to persons who carry on, certain activities in connection with the disposal and acquisition of land, to be treated as intended to be used, in whole or in part, for residential purposes. (Mr Bryn Davies, Eisteddfod, North, Lab.)

**Sale of Seized Bill** to prohibit the sale of seized goods which have not fully acquired and taken. (Mr Peter Morrison, City of Chester, C.)

**Reading Bill** to amend the law relating to relief from rates in respect of premises used by disabled persons and invalids. (Mr Robert Hughes, Aberdeen, North, Lab.)

**Information Bill** to make provision for public access to information held by Departments and State, local authorities and other bodies. (Mr Romilly Adams, Preston, North, Lab.)

**Nuclear Waste Disposal Bill** to make provision for the development of the nuclear industry and for the disposal of nuclear waste by the establishment of a Nuclear Waste Management Advisory Committee and a Nuclear Waste Disposal Board. (Mr Peter Walker, Warrington, with respect to the

The amendment was negative.

of an increase in defence spending.

# ing forces

said) as soon as the situation allows, to restore and return them to the fully comparable pay position implicit in the military salary survey.

They had no plans to develop a long-range Cruise missile system, or develop a new strategic deterrent. They had no plan to replace the Polaris missile.

Lord Carrington's motion was carried by 163 votes to 71—majority against the Government, 92.

Lord Shepherd's amendment was defeated by 166 votes to 70—majority against, 96. Lord Shindler's amendment was withdrawn.

House adjourned, 5.2 pm.

## Parliamentary notices

**Houses of Commons**  
Today at 2.30: Various Northern Ireland Orders.

**Houses of Lords**  
Today at 2: Various Northern Ireland Orders, Finance Bill, second reading, and on Railways and Gasworks.

## Attack on Polish

**Ships Deal**

Mr. Nicholas Ridley, (Chancellor of the Exchequer) and Tewkesbury, C. applied successfully for an emergency debarment on the disclosure that the **ships deal** would cost the taxpayer £100 million and the need for an immediate statement by ministers about the financial arrangements.

He submitted that the marriage had become important because the large amount of money was expected to appear in the accounts of the department of the divorcee, the nature of the contract which had been fixed up.

It makes (he said) the recent scandal in relation to the **Crow Agents** seem like a vicarious party.

It makes (he said) the recent scandal in relation to the Crown Agents seem like a vicarage party.





One face of capitalism that  
has always proved acceptable.



# GWENT

a Special Report

## Devolution may blunt drive for growth

by Peter Evans

The danger of further government meddling with Welsh local authorities as a consequence of devolution proposals is alarming county councils, which are settling down after the last organizational upheaval.

They feel that an additional executive tier between central government and local authorities will not only complicate governmental processes in Wales but will tend to move the decision-making for local services farther away from the local areas and their local authorities.

The alarm is focused particularly on a provision in Clause 13 of the Wales Bill that the Assembly should review the structure of local government in Wales and report its conclusions to the Secretary of State.

For Gwent County Council, whose £8.5m headquarters will be completed soon, the issue has particular relevance. Not everyone in the county has got over the shock of being incorporated into Wales, though the county council has turned the point to its own advantage by calling itself "the

first county in Wales" in its promotional publicity. The county's motto, *Unicus fidei*, faithful to both England and Wales, is being put to the test by the debate on devolution.

The town of Monmouth, which gave its name to the county before it was changed to Gwent, displayed remarkable resilience as long ago as 1963 by so worrying about the consequences of a Welsh takeover that the possibility of becoming part of Herefordshire was discussed. Mr Leo Abce, MP for Pontypool, has more recently expressed the fear that a Welsh assembly would mean a Wales run by Welsh-speaking elites, cornering plum jobs.

The latest debate perpetuates the tension which has historically accompanied the political and economic changes which have swept like tides across the county, lying as it does across the border between England. The castles, whose attractions the council is now advertising to improve its tourist trade as a means of fighting off the effects of recession, are evidence of past turbulence.

According to the official guide to Raglan Castle, Gwent derives its name from Vents, Silurum, the tribal capital of the Silures in the first centuries of the Christian era.

To the Welsh, Vents became known as Caerwent, where gardeners find the soil easier to dig within the still-standing Roman walls, because of the continuous tillage, than outside. The Romans built the town to help to civilize the natives.

Ancient Caerwent is still a good indicator of the county's present-day pivot of change. Present day governments have been quickly buying up land, when it became available, to display old Roman remains. But the growing strategic importance to the economy of the area between Newport and the Severn, is making the process more difficult. The land is not so easy to come by any more.

### Sevenside ripe for development

This is partly the result of an economic boost given by the building of the Severn bridge, giving added emphasis to the tendency of the planners to regard Sevenside as a region for coherent development. In 1971, a government report suggested major capital intensive industry in the entire study area. Reclaimed land might eventually be considered as a site for an international airport, the report said.

Variations on the theme have recurred in association with proposals for a Severn barrage and last year Professor Anthony Goss, in a report for Gwent County Council, also proposed development on the 35 sq mile area to the east of Newport, alongside the existing Llanwrn steelworks, and a new deep-water port at Usk, near Newport.

But as so often happens with schemes having a bearing on Wales, short-term considerations conflict with longer-term economic needs. Although the economic future of Britain as a whole demands development where it can most naturally and profitably occur, the development of Sevenside might well suck into the area capital and people at the expense of the Welsh hinterland, where the growth of national industry has made Labour ever mindful of local Welsh interests.

Moreover Ebbw Vale, the steel town threatened by the recession and modernization

of the industry, obviously requires first aid. Unemployment in Gwent is already 9.1 per cent, extending from 11.5 per cent in the lower valley to 7.5 on the coast, including Newport, and reaches 10 per cent even in the beautiful north-east, near Abergavenny (which partly explains the county's interest in the tourist trade).

By 1991, according to the county council's structure plan, some 29,000 new jobs will be required to take into account industrial change and closure. If unemployment is to be reduced to 3.5 per cent, by 1991, 12,000 jobs will be needed, including 3,600 at Blaenau Gwent, of which Ebbw Vale is part, and 3,240 at Newport. The 2,000 jobs in Newport at Newport compare with only 800 at Blaenau Gwent.

The trouble is that, although the whole of Gwent is an assisted area (including special development, development and intermediate areas), its prospects have been dimmed by the erosion of the Government's regional policies.

Industrial development certificates are no longer required in special development and development areas, but they are so easily available throughout most parts of the United Kingdom, Gwent officials say, the number of firms which can be attracted into assisted areas is limited.

Regional policy may be undermined further by recently announced relaxations in office development permits and a change in the role of the Location of Offices Bureau, which will mean the promotion of offices in inner cities, including London.

One of the main aims of the Government's strategy is to make good the decay resulting in inner-city areas from the loss of jobs and people. While the Government has indicated that over 10 years there will be a total of about £1,000m to boost inner-city areas, other measures have lessened the impact. The financial incentives available in assisted areas.

Those measures have included the withdrawal of the regional employment premium, a delay in the payment of the regional development grant, and the introduction of selective financial assistance for certain industries, regardless of location, under the Government's industrial strategy.

The Government's regional policy is made the more confusing by the number of different departments of central government or agencies involved, the Welsh Office, Welsh Development Agency, and Department of Industry. At present, separate and often independent approaches about financial incentives and advance factories have to be made.

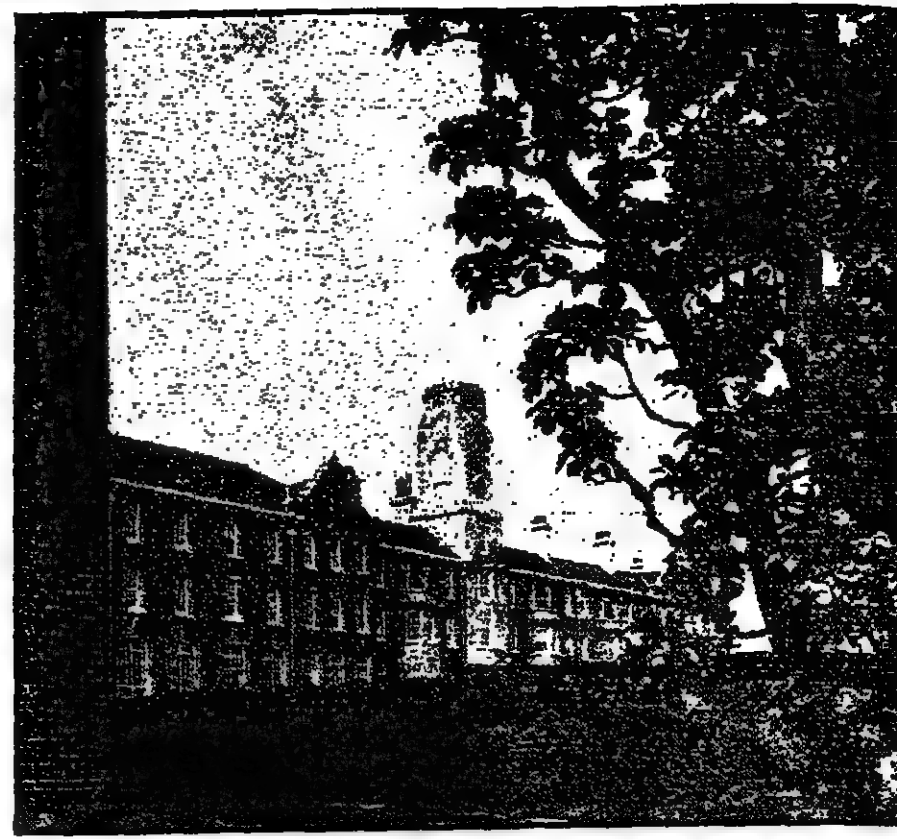
In view of this erosion, it is doubly important for Gwent that its own efforts to attract industry should be successful. One of the county council's targets for investment in Gwent is a particular range of firms in a particular area of Germany, mounted with the aid of a German advertising agency and based on market research.

The question Gwent County Council has reason to ask is whether the devolution proposals will dilute the sort of drive it is mounting to safeguard its own future against the decline of traditional industries.

The decay of inner cities, which were also developed as a result of the industrial revolution, should be seen as part of the overall need for improvement and investment. But there is no good reason why it should be at the expense of places like Gwent.

After all, much money has been invested in providing superb communications by road and rail between Gwent and other main centres in Britain. Now they are there the county badly wants the nation to make full use of them.

The author is Home Affairs Correspondent, The Times.



Caerleon College, part of Gwent College of Higher Education, near Newport.

## Land reclamation raises hopes for industry

by Patrick Hannan

Both the industrial history of Gwent and what is planned to be its industrial future can be seen on one site in the north of the county. It is almost 200 acres of escarpment around the town of Blaenau, a mountainous monument to all the activities that gave South Wales its industrial greatness and which now provides one of its most substantial problems.

The site is covered with the leavings of coalmines and ironworks spread out along the valley floor and on to the mountainside. But within the next two and a half years, the millions of tons of debris should have disappeared.

It is all part of one of the most encouraging developments the area has seen during recent years—the clearance of derelict land, which provides places for new industry and improves the environment.

North Gwent certainly needs the land; the topography means that there is a shortage of sites on which industry can develop. So far more than £2.75m, the Welsh Development Agency will make 67 acres available for housing and factories, another 27 acres for recreation and more than 80 acres for other uses.

At Llanwrn there is now comparative peace, but the present recession in the steel industry means that the real test is yet to come. Full order books, if and when they return, will demonstrate whether Llanwrn can produce its full quota of high-quality steel.

The strategy of the steel industry has been strongly influenced by decisions on where to make steel. In coal there are no such choices and the decisions that have to be made

early 1960s Llanwrn's in mining are about how to exploit known reserves most efficiently.

To some extent this is linked to the fortunes of the steel industry as about two thirds of the British reserves of coking coal are in South Wales. To make the most of this Gwent is now getting its full share of development.

The county faces the same troubles as the rest of South Wales. Difficult geology being worked from mines which are too small to make the best use of modern techniques and to provide the levels of productivity that coalmining desperately needs.

The coal board's answer has been, in effect, to create large mines out of small ones. So Oakdale Colliery, near Blackwood, which is one of the most successful pits in the country, is being linked underground with two others in a £4m scheme which will mean considerable economies of scale.

The industrial strength of Gwent has been built on coal and steel and the two industries will remain its industrial base for a long time yet.

Organizations like the coal board and the steel corporation have now put their faith—and their money—in the kind of development they believe will secure the future of that base.

In steel especially it is causing anguish and turmoil to many people; it is vital that in the next few years the calculations and the strategies turn out to have been the correct ones.

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Company \_\_\_\_\_

Address \_\_\_\_\_

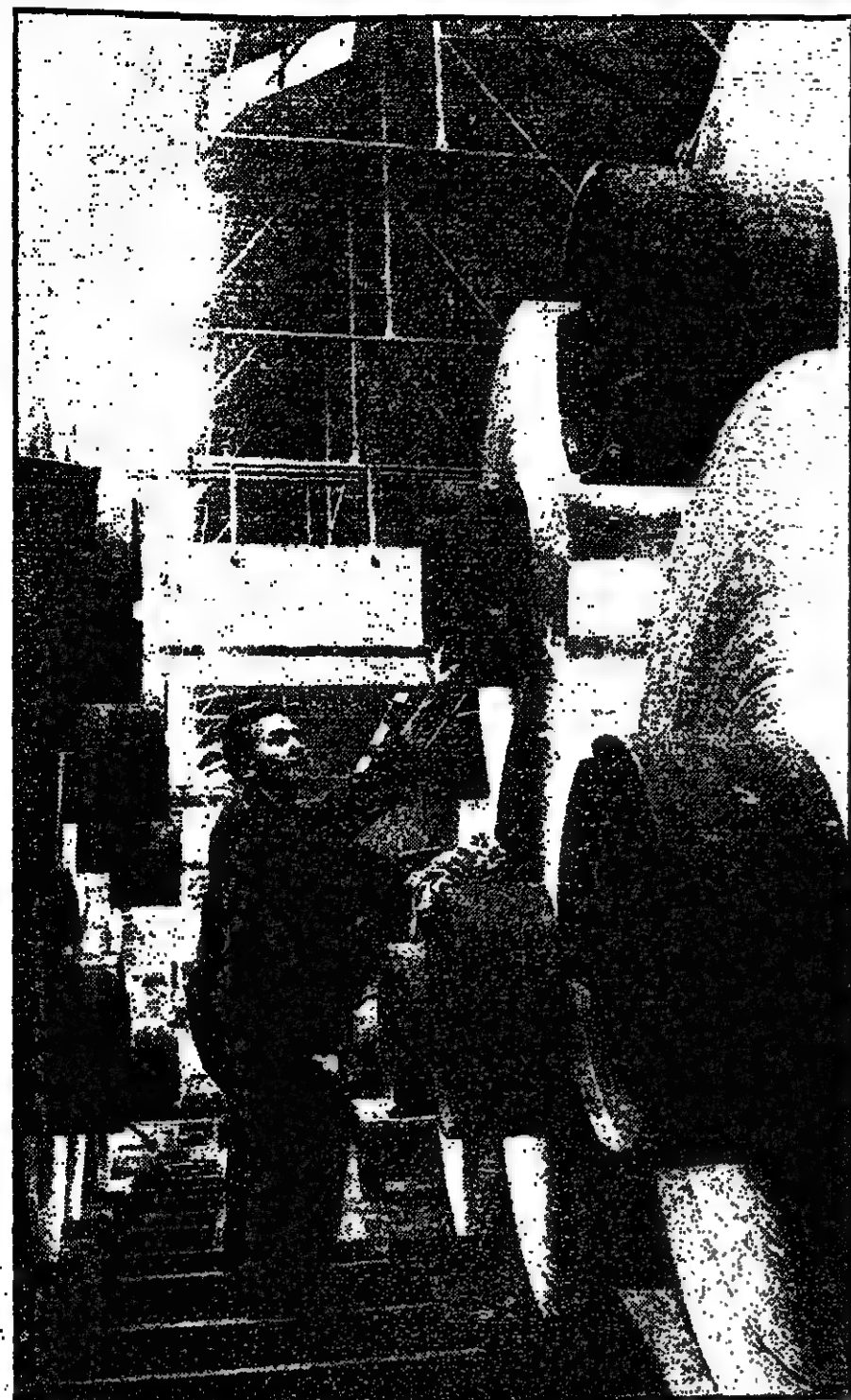
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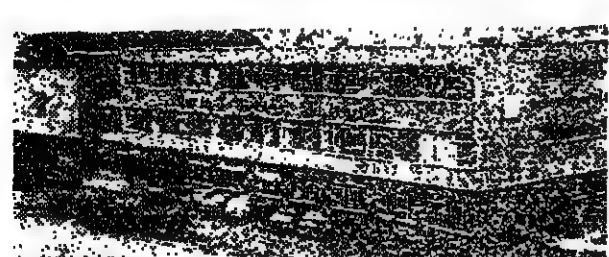
## Ask the Industrialists who moved to Blaenau Gwent.....



**Grundy Auto Products Limited, Tredgar**  
"We now have ample space to carry out our expansion plans and have acquired an excellent labour force in the area. All local government departments have been very helpful during the settling-in period. In addition, the financial assistance from a special development area has been a valuable contribution to our move."



**Midland Oil Company Limited (Oil Recycling), Ebbw Vale**  
"Our Company has located a factory in the Ebbw Vale area because of its central location, and our belief in the future growth of South Wales as an industrial area. We have received excellent co-operation and assistance from all local and national Government departments during the development of our site. The quality of labour that we have recruited is excellent, and will be able to assimilate new skills."



**Dunlop Semtex, Brynmawr**  
"Dunlop Semtex has been located at Brynmawr for 25 years, when the Company took over the Enfield Rubber factory. In 1975 the Company re-located its Head Office at Brynmawr. We find the co-operation from local and central government departments to be excellent. With the development of a broader industrial base to the area the availability of skilled labour is bound to show the continued improvements we had noted in the past."

"Immediately available, a total of factory space in excess of 160,000 sq. ft. with up to five years rent free period. Also nearing completion for 1978 a Welsh Development Agency Industrial Development Park."



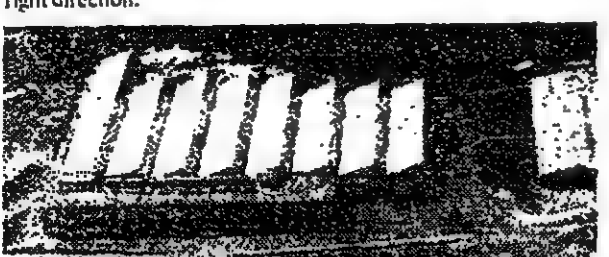
If you are interested in moving to Blaenau Gwent write or telephone the Chief Executive, Borough of Blaenau Gwent, Municipal Offices, Civic Centre, Ebbw Vale, Gwent, NP5 6XB Telephone: Ebbw Vale 503401



**Control Data Limited (Disc Pack and Computer Tape), Brynmawr**  
"Control Data originally came to Brynmawr in order that the European market for computer magnetic media could be filled from inside Europe instead of from the U.S.A. We have found in Blaenau Gwent the right sort of labour, good communications and first-class co-operation from all local and National Government departments."



**Alfred Teves Limited (Braking Systems), Ebbw Vale**  
"The reasons for coming to Wales were mainly favourable conditions in connection with purchase or lease of available factories; labour availability and the ample support from local authorities, including the Development Corporation for Wales and the Welsh Industrial Estates Corporation, as well as the help from the Government. Our experience to date indicates that this move was a step in the right direction."



**Crompton Electric, Tredgar**  
"We have always been pleased with our decision to move to this particular area. Road communications are exceptionally good and rail communications are convenient through Cardiff and Newport. A most important reason to move to Blaenau Gwent was the fact that the Borough has special development area status which carries substantial financial incentives to Companies moving into the area."

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## Area suffers from damaging decisions

by Peter Evans

area, while Newport remains classed as an intermediate area, although, according to the 1976 Census, Newport, Cardiff is the more prosperous of the two. Newport also suffered from the declaration of Humberside as a development area a fortnight before the Grimsby by-election, after Mr Callaghan and Mr Varley met local MPs from Humberside to review the area's worsening problems.

The immediate effect on Newport was explained in a letter on May 5 from Newport's chief executive to Mr Hughes. It said a survey had been made by an international consortium with a view to setting up a factory to produce insulating materials.

"After very long negotiations we were very optimistic that the consortium would settle on the Reesland industrial estate at Newport. The major factor was its easy access to the motorway which would ensure that the company's vehicles could deliver its products to its major distributors in the south-east and West Midlands and return the same day."

"However, because Eum, beside an intermediate area like Newport until recently, has just been granted development area status, the consortium is now likely to

establish the proposed factory there."

A third blow to Newport was a political decision to site an iron-ore terminal at Port Talbot. In 1973, 2,385,610 tonnes of iron ore were shipped into Newport docks, handy in the giant Spencer steelworks. In 1975, the total shipped declined to 383,245 tonnes and in 1976 it fell to 100,000 tonnes. The financial surplus on dock operations in Newport in 1973 became a deficit of £918,753 in 1975.

In 1976 the British Transport Docks Board was able to report the success of Newport's attempts to overcome the loss of the iron-ore trade. "A monthly bulk hardwood service from Malaysia started with Newport as the only United Kingdom port of call. The port attracted greatly increased quantities of tea, and maintained a high level of activity with the arrival of both packed and unpacked motor vehicle traffic."

"These traffic gains resulted from intensive marketing efforts, and, aided by the improved road links with the M4 motorway, led to the port's recovery from the downturn which followed the transfer in 1975 of iron-ore imports to Port Talbot."

Newport had a surplus of £911,139, a remarkable change in its fortunes.

In the town, too many empty places in its new shop-

ping centre and older streets indicate the need for new business. Gwent's economic progress report for the third quarter of this year says: "Debenham's have decided to pull out of a scheme to build a store in Newport, and other possible developers of the site are being sought. The store was the subject of negotiations with the Welsh Office for a 125-year lease, which was eventually granted, and would have employed 200 people."

Meanwhile, the annual report of Cwmbran, the new town just up the road, was able to say in contrast: "To complete the regional shopping centre the Woolco store has been followed by the opening last November of a store for Sainsbury together with seven shop units, and a store for Marks & Spencer with associated offices and 15 shops will open for trading in June 1977. Both the Sainsbury and Woolco stores have several decks of car parking associated with them."

As Newport seeks to fight back by shutting off part of its old main street for use by pedestrians, a group of traders has attacked the plan by driving car-owners away to Cwmbran, where parking is free. A council official denied the charge, saying

there is ample parking in Newport and, even if motorists do have to pay, it remains cheap.

It would be surprising if Newport were able to escape an experience similar to that of other places which have a new town near by. Business is bound to be sucked away. The difficulty with trying to turn Newport into a new town is that the old-fashioned qualities it still has, in spite of its size and importance could be destroyed.

There are still enough small shockers to provide a service which is badly missed elsewhere. People know each other. An old man with a white stick and face familiar to many is told by a passer-by he is in course as he follows his regular route in the main street. Another man gives an answering wave to a toot on the horn from a passing van driver.

Big stores may be a help but they are not the solution to Newport's problems. What is needed is new industry and offices ample enough for the town to compete with other places on its own terms and without changing its distinctive character.

The author is Home Affairs Correspondent, The Times.

## Playing about with business

by Brinley Clifford

Recreation is big business in Gwent. Local authorities preparing for a predicted upsurge of public interest in leisure pursuits announced in 1973 that about £14m was to be allocated for 19 sports and leisure centres either planned or under construction. Much more has since been pumped into the scheme.

The plan aimed to provide one leisure centre for every 40,000 of the population. Fifteen of the centres, meeting social needs for every one from toddler to pensioner, were on school sites. Latest figures show that about three million people a year are attending the leisure centres jointly provided in Gwent by the county council and district councils. A million adults use these centres, individually or in groups, another 500,000 attend youth clubs and adult non-vocational classes based at the centres, and then there are season ticket holders, spectators and those taking part in special events. The figures do not include attendance at Gwent's showpiece £3m sports stadium and complex at Cwmbran, the £600,000 complex at Pontypool Park or district council facilities at Blaenavon and Aberthaw. But, according to Councillor John Pemberton, chairman of Gwent's leisure services sub-committee, they illustrate that the investment made in pioneering joint-use leisure centres is beginning to pay dividends. "Shortsighted critics have tried to discourage us by saying that the centres were not worth the money they cost to provide, but

these figures prove that the people of Gwent want them and are prepared to use them," he said.

"If they had not been provided, much of the capital and running costs would have been spent on school only facilities which would have been of no benefit to the general public."

Gwent's Treasurer, Mr V. C. Vellacott, is cautiously optimistic about running costs. He reports: "After two years' experience, income and expenditure are more stable than we had feared. The main cause for concern, he says, is increased expenditure on repairs and maintenance, the level of which will probably rise next year."

Gwent's planning took into account that paid holidays were longer, that more cars were being used, and that there was a new outlook in schools, where games training and physical education now encourage many small-group informal activities such as golf, sailing, horseriding, archery, badminton, swimming or squash. More opportunities now exist for young people to enjoy drama, music and the arts and youngsters expect to find the same wide range of interests available to them as adults enjoy.

So a leisure centre with swimming pool, sports hall, lounges and refreshment areas offers exercise and pleasure and social activities through the year to as many as 200,000 "customers".

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## Variety in industrial pattern

live Pritchard

years, receiving added impetus from the development and growth of Cwmbran New Town, the magnet of the Llanwern Steelworks, and the creation of government incentives, such as special development areas.

The result is that today Gwent has a much wider industrial base than hitherto with firms producing a varied range of products from chemicals to telecommunications, from mouse-traps to wrenches, from glass fibre to fabrics, from foundation garments to aerospace components.

It is true to say that the pace of industrial development has slackened in recent years in the face of economic recession and high interest rates when survival, not expansion, has been the

main concern of many firms. And this has happened at a time when the need for new jobs is greater than ever as the older industries contract and one or two of the newer ones fall by the wayside, victims of the vicissitudes of the world economy.

The main problem area remains in the north of the county where the townships towards the heads of the valleys are hard hit by the decline in coalmining and more recently, steelmaking. In particular the close-down of the "heavy end" of the Ebbw Vale steelworks has created special problems and great effort by government agencies, the British Steel Corporation and local authorities is directed at attracting new industry to the area.

Although much more is still required the successes are certainly worthy of note. Among the most recent developments on the huge new Taffarbach Industrial Estate the factory of Natural Gas Tubes provides a total capacity of 100,000 tons a year of various types of pipe and tube. Equally significant is the BSC's own £3.5m Colour-coat factory which forms part of the corporation's Associated Products Group within the Welsh Division.

Here the production of organic coated steel for use as the outer covering of domestic appliances such as washing machines and refrigerators will be extended into the manufacture of insulated building products and kitchen units. These activities are housed in two adjoining factories and the complex already employs in the region of 150 people and is expected to employ 400

and have an annual turnover of £20m.

Not far away, on the Pen-y-fan Industrial Estate, the General Paper and Box Company, which produces smoking accessories, various types of fresheners and tissues, is just getting under way in a new 50,000 sq ft factory. Here about 220 new jobs are expected to be created within the next three years, up to half of them within 12 months and about 90 per cent of the output will be for export.

Gwent's Eastern Valley, covering an area from Blaenavon in the north, Pontypool in the middle and Cwmbran in the south, has also been the scene of considerable industrial development in recent years. A tremendous catch was the modern complex of Park-Davis at Pontypool which is now one of Britain's most important and up-to-date pharmaceutical plants and which has done much to placate the difficulties created by the retraction at the neighbouring factory of ICI Fibres.

Similarly, the opening of Pilkington's multi-million pound glass fibre factory at Pontypool has countered the closing of the same company's old-established glass factory in the town which made more than 400 workers redundant. But 300 of them were offered jobs at the new plant.

Circle, the car component manufacturer, which has long been Cwmbran's biggest industrial employer, is now also in full production in its new factory near Pontypool and plans yet another, with a promised 400 new jobs, at Ebbw Vale.

Many small firms have

established operations at Cwmbran, attracted by the ready-built factory units provided by the Cwmbran Development Corporation, and while individually they employ only a few people, together they make a significant contribution to employment.

Cwmbran has been successful, too, in attracting bigger companies — among them Siebe Gorman, one of the world's leading diving and submarine equipment manufacturers which has been busy moving its large operation to Gwent New Town.

Britain's biggest underwater engineering contractor, Strongwork Diving, has also made Gwent its headquarters and has moved into a 30,000 sq ft factory at Caldicot, on the coastal belt between Newport and Chepstow.

Equally as important as these industrial newcomers are the many expansion projects undertaken by existing industries in the county. In the past few years these have included a big development at the Rogerstone works of Alcan Booth for large-scale production of aluminium foil; a planned £1.75m investment by Bowater Containers to make its Newport plant one of the most modern in Europe; and a £2.5m expansion by Johnson and Johnson which doubled the size of its non-woven fabrics factory at Pontiltraith.

Neither should the commissioning of Britain's largest blast furnace at the Llanwern steelworks be overlooked. Costing £27m and capable of producing more than 5,000 tonnes of iron a day, the furnace marked the final phase in a £107m development scheme.

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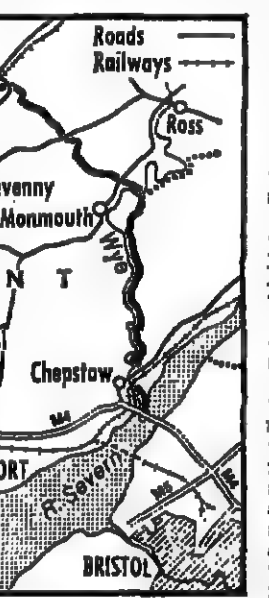
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Jo Grimond looks at the whole question of freedom and democracy

# In the aftermath of Grunwick, the three vital issues that must be faced

Fort Grunwick, George Ward's own account, is published today by Maurice Temple Smith at £4.50 in hardback and £1.75 in paperback.

Grunwick by Joe Rogaly, published by Penguin at 80p.

When I was at the Bar I was taught that the defence of fog is the only right of every true Briton. It is certainly widely invoked by those who want to confuse the issues during strikes. "Mistakes on both sides", "lack of communication" etc. In the Grunwick strike there seems to have been precious little tipping the balance towards the pickets.

Such phrases as "natural right" and "natural justice" contribute very greatly to the fog. "Rights" are a legal conception. I find it difficult to believe that any human being is born with natural rights as he is with a natural body. His rights depend upon the country in which he first sees the light of day. There is certainly no justice in nature. And few natural rights in Russia.

What we can say and should say at the top of our voices is that if we want to run a free and democratic country we must do so by argument rather than force. We must have respect for the law and to everybody must be guaranteed an area of freedom in which they are entitled to make up their own minds.

There could be endless argument about how all this is to be achieved and how far, for instance, the area of freedom should extend. There may indeed be arguments as to whether we want a democracy or not. But what is certain is

that we cannot have a democracy at all without these three elements existing in it.

It is clear that the essentials of a free and democratic society were flouted by those who attempted to coerce Grunwick into accepting their views. The pickets resorted to force. The Post Office workers who blocked Grunwick's mail acted illegally. Apparently it was considered even by Lord Justice Scarman that it was not enough for Mr George Ward to obey the law. Further, it was apparently decided that the majority of workers at Grunwick could decide many important aspects of their own life for themselves.

I found Mr Rogaly's account of the strike confirms a great deal of what Mr Ward has said. Mr Rogaly, of course, discusses some of the wider issues involved while Mr Ward says: "I am not a philosopher or a political scientist. I am just a small business man." His action is, of course, written from his own point of view but it certainly should be read and as direct evidence may be the more important of the two books. However, they make a very useful pair to read together.

Apart from these issues, three more very important issues emerge from these accounts. No one wants to renege the combination Acts against the trade unions but it is apparent that the trade unions now consider that they are entitled to combine against an employer and take steps to disrupt his business and intimidate his workers which would not be tolerated by any other organization in the country. The more so as they often they combine not against their technical employer but against the public and the public interest.

It is the trade unions and not the employers who are now in a position to threaten working people who do not knuckle under. This is not to say that people should not have a perfect right to join a union. Mr Ward maintains that he has no objection to his workers joining a union. It must also be said that it appears that initially wages in Grunwick were low, though nothing like as low as they have sometimes been reported and probably not lower than in many other firms.

The unions certainly have a part to play where labour may be exploited. But today with the amount of industrial legislation which is at the disposal

of the workers and the standard of education which we are said to have achieved, exploitation is much less of a danger than it was. However, it may remain, particularly in regard to certain immigrant groups.

It is not, however, very clear that trade unionists are always the best disposed people in the land towards immigrants and Indians, at any rate, are highly intelligent and enterprising elements in our society who, once they have mastered the language, may be well able to look after themselves and make up their own minds what conditions they will accept. Finally, if workers are wrongly sacked they have ample legal

redress without their friends attacking the police.

The next point is the sad behaviour of the so-called social democrats. Ministers of the Crown, such as Mrs Shirley Williams, Mr Denis Howell and Mr Mulley who apparently remain members of Apea though they are ministers, took part in the picketing and thereby gave aid and support to what went on outside Grunwick's gates. The sponsorship of MPs by unions is a doubtful operation, though of long standing. But surely for ministers in the Government to remain members of unions and take part in industrial disputes is intolerable.

It certainly must mean that Mr Ward is well justified in stating that the Government can have no claim to impartiality. I know that in this Government joint responsibility has been thrown overboard on many issues but this seems to me a most flagrant example of how government has been corrupted. Further, union demands for closed shops must make management (and all liberals) apprehensive of their activities and their alliance with minis-

ters. The third point is the position of A.C.A.S. It emerges quite clearly that this is an arm of government designed to further the interests of the trade unions. I believe that this, too, is undesirable. Mr Ward is blamed for not accepting the Scarman report. Mr Jack Jones would not accept the report of an inquiry to which a trade union had not assented. Mr Ward himself says the Grunwick affair must raise the question as to whether or not we are to become a corporate

state. Mr Rogaly, I understand, wants the unions to be given some sort of official position in our political system. On the need to clarify the law and responsibilities I agree with much of what he says. But if unions are to be given further privileges then those who are affected by unions—and it must be remembered that they now do as much as any other body to hold back our economy and depress the standard of life, particularly the poor—must have an equal right to organize. This is exactly what the National Association for Freedom is doing.

It is an agonizing decision for those who call themselves liberals with a small 'l' to decide whether they are going to sit by while the presuppositions of a liberal country, such as tolerance, are taken advantage of by those who do not believe in freedom or democracy or whether they too are to join the march towards corporatism. Furthermore, it raises once again awkward questions for the Government.

It, too, will have to abandon militant liberalism of the enlightenment in favour of the practices found essential in the Middle Ages. Already we see it using the Polish shipping order and the export credits market system to bring pressure on firms. And in many ways this is deplorable from a liberal point of view.

But it is the inevitable result of the growth in our society of powerful interests looking to their own advancement and showing little regard for the essentials upon which democracy must rest or the general interests of the people at large.



## The Wren years: a definitive record of an era of great works

On January 4, 1693, a calamitous fire virtually destroyed Whitehall Palace, the headquarters of the English monarchy since Henry VIII took it from Wolsey, and at that time the largest royal palace in the world. Firefighters came from all over Westminster and from seven outside forces, but the fire was too strong for them.

The account books show that a special payment of £5 was made to a bricklayer named John Evans for "working in a high window of the Banqueting House, against the flame". You can still see the window from which he saved the Banqueting House at the gallery level in the south end as you walk up Whitehall. Without the efforts of John Evans, the glorious Banqueting House, one of our finest and earliest examples of Renaissance architecture, would have gone up in smoke with the Great Hall, Theatre, the Holborn Gateway, and all those other ancient, fair, and historic buildings. All that would be left of Whitehall for us today would be the name of the street, and the familiar nickname we give to our machinery of government, as in "the man in Whitehall knows best".

In 1714 John Evans petitioned for some additional reward, claiming that his part in saving the Banqueting House was worth more than beer money. If we allow for prices in the early eighteenth century, Evans the Deep Throat must have had a Westminster capacity for beer. His persistence and the national glory preserved in the Banqueting House finally persuaded Sir Christopher Wren to recommend him for a larger reward.

The story of John Evans is saved from the flames in the latest volume of *The History of the King's Works*, the monumental record of the building and decay of most of the great buildings in England. The Office of the King's Works, like our other modern departments of state, started life as a small department of the royal household, travelling with the monarch and his courtiers, and then, as the royal household grew, it grew into a large, dedicated to the Queen.

is a comprehensive survey, at times almost brick by brick, of public buildings in England from the Middle Ages until the middle of the nineteenth century, when the office finally became a ministry, fully accountable to Parliament. Today it has been subsumed in the gigantic Department of the Environment, whose monstrous towers in Marsham Street would appal those earlier official builders.

The new volume spans the period from the restoration of the monarchy in 1660 to the reforms of 1822, which marked the end of the Office of Works as it had existed since the sixteenth century. During its life the Office of the King's Works expanded its field of activities. It ceased to be exclusively preoccupied with the Sovereign, the Court and fortifications, and became increasingly concerned with government buildings in the modern sense. This culminated in the present volume with the building of Somerset House by Sir William Chambers as the first purpose-built public office.

For nearly 50 of these 122 years Sir Christopher Wren was Surveyor-General of the Royal Works, serving six monarchs, until as an octogenarian he was unceremoniously dismissed. This volume is the first coherent account of his long tenure of office, and his majestic architectural works at Hampton Court, Kensington, St James's, the Tower, Whitehall, Winchester, and elsewhere.

Whitehall and others of the King's Works have vanished, except for their memorials in the old account books, plans, and prints. This history of them, thickly illustrated with plans and drawings, is a definitive record and the indispensable source book for the study of our extraordinary royal and public buildings. The authors of Volume V are: Mr H. M. Colvin of St John's College, Oxford, the general editor; Dr J. Morris Crook of Bedford College, London; Dr Kerry Downes of Reading University; and Mr John Newman of the Courtauld Institute of Art.

**Philip Howard**  
Volume V of *The History of the King's Works*, £25, Stationery Office.



## Magnus Magnusson asks you to use your imagination for Christmas

Imagine that you are, old, not very strong, and obliged to live alone in a rather dismal room. Won't the loneliness be all the more painful on Christmas Day, when you know that there are lights and laughter in other homes, and when you recall happier times? Then just imagine living every day next year like this.

That is what it will be like for thousands of our old people—a continual hunger for happiness when others are feasting.

Imagine the joy if someone changes that prospect of loneliness or hunger. You can, for one old person—with a gift to help start another Day Centre, where lonely people find friendship and care. Or you can send Christmas meals for distribution by volunteers to people overseas who would otherwise go hungry. Someone in need is waiting for your generous response this Christmas. Please use the FREEPOST facility and address your gift to: Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room 28, FREEPOST 30, London W1E 7JZ (no stamp needed).

\* Please let us know if you would like your gift used for a particular purpose.

The insistence of a House of Commons majority of combined Conservatives and Labour backbenchers that the inquiry into the Crown Agents must be in the open, despite the Government's proposal that it should not, is an outstanding example of the relaxation in 1967 of the conditions which have to be fulfilled for the Commons to secure an emergency debate.

Under the more restrictive terms of Standing Order No 9 which previously existed, it may be doubted whether the Speaker would have felt able to allow the application for the debate—not least, perhaps, because of the uncertainty about the precise ministerial relationship with the Crown Agents.

The change in the terms of SO9 (which gives such a debate precedence over the Government's planned business) is the only one of Richard Crossman's reforms, as Leader of the House, between 1965 and 1968, which has been sturdily achieved and which has been intended to achieve—namely, the strengthening of the power of the Commons to call the executive to account.

The other changes made in the past have either proved ineffectual or have strengthened the hand of the executive over Parliament. After a year's trial, for instance, the experiment of morning sittings of the House had to be first modified and then abandoned because, instead of relieving the pressure on MPs, and freeing them from the need to sit so often late at night, it actually increased the

amount of time in which the Government could keep them on the trot.

Nor did the changes in the powers for the Commons to control over supply strengthen the hands of the House. Admittedly it was sensible, in view of the weight and complexity of contemporary legislation, to send Finance Bills to a committee of the House upstairs instead of keeping all the members in a committee of the whole House trooping through the lobby all night on technicalities beyond the comprehension of a non-specialist.

But the government of the day also benefited, particularly when it has no more than a bare working majority. It is easier for a Chancellor to force his legislation through a committee with a bullock majority of (say) one vote overall, than it would be to get it through a full House with a majority of (say) only three or four—although, of course, the Rooker-Wise amendment showed what can be done by cross-party voting in special circumstances.

But in general, a government can be more ruthless in driving a standing committee than in dealing with the whole House.

Similarly, although it was sensible to put an end to the vestiges of the pretence that supply days were used for discussing financial supply, when they were really opportunities for the Opposition to choose general topics for debate, even this diminished formal ability of the House to vote on supply.

But above all, the much pro-

moted idea of Commons select committees to investigate and shadow government departments came to nothing, or nothing much. Economic, foreign and other sorts of main-line policies which are at dispute between the parties were never investigated, and, I believe, they probably never can be under our present system where the Government and Opposition parties are in constant dispute, and the survival of the Government depends on its getting a majority for its essential business. These conditions mean that such committees would inevitably divide on party lines.

Where such committees were instituted, for agriculture and education, for instance, little of value came out of their mouths. They were, though a huge amount of time was expended. Indeed, the case of the Crown Agents itself shows the ineffectiveness of such committees to shadow departments, because they cannot possibly take up every topic of interest, and as a result they necessarily focus on one to another.

The Crown Agents case did briefly come before the overseas development committee, but it was dropped prematurely and instead the committee turned elsewhere—at one point debating some sort of look at rural development.

My own belief is that it is only where select committees are assigned to concrete cases for investigation, or where there is a real chance that subjects can be taken out of ordinary

party dispute by common consent, such as with race relations or the working of the nationalised industries, that such committees can be really effective.

So is the end, very little was left of the great period of the Commons reforms, except for Standing Order No 9, but the changes made with this have been immensely valuable. Eventually, the holding of an emergency debate depended on whether it was deemed a "definite matter of urgent public importance," and the Speaker always gave his reasons for granting or refusing a request.

Since he had become increasingly bound by all sorts of restrictive precedents, a debate was usually refused, and the number of such debates so held had rapidly shrunk. Now, however, the Speaker no longer gives his reasons, and the conditions for accepting a debate are simply that the matter must be "specific and important" and "should have urgent consideration."

Since this reform, emergency debates have been much more frequent, and are often of great importance. Indeed, no sooner had the procedure been altered than in 1969 a debate was allowed in 1967 to discuss the Letter of Intent which the former Chancellor, Mr James Callaghan, had resigned after devaluation, had sent to the IMF. The House not only debated this kind of inquiry by appointing a select committee specifically charged with investigating the matter. Like a 1921 Act tribunal, the select committee could sit in public, with precise

terms of reference, and require the attendance of witnesses. It is true that if a witness defied a summons to attend, a special Order of the House would be required to order his appearance, but that is not a handicap of substance.

Other distinctions are that a select committee of inquiry might not be bound by the ordinary rules of evidence and cross-examination, whereas a tribunal behaves more or less with the procedure of a law court. Yet there is no reason why a select committee should not bind itself in this way if it chose.

The House of Commons in recent times has been reluctant to undertake this kind of inquiry because it flows a very wide questioning of people who may not know what, if any, charge lies against them. But that, of course, is a criticism also directed at tribunals.

Any inquiry in public, acting virtually as a court but without a definite charge, has this disadvantage, but there are times when it has to be accepted and the House of Commons has taken the view that this is one of them.

In this case, the matter concerns public money for which Parliament is ultimately responsible, and also the behavior and constitutional role of an institution for which the Government now makes itself responsible. This is an offshoot of the Prerogative. This is essentially a political matter. Might it not be one which the House of Commons could deal with itself?

Ronald Butt

## The Crossman legacy that paid off

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## THE TIMES DIARY/PHS

### On the right lines, after Mr Heath

Readers will be delighted to learn that PHS occasionally gets something right. You will recall that on Tuesday I speculated that Margaret Thatcher was fed up with being upstaged by Edward Heath and that her followers were planning to hire for her the British Rail Inter-city exhibitions train that Mr Heath is currently using on his nationwide bookelling tour.

Surprise, surprise. Mrs Thatcher has actually been negotiating with BR about the train and has provisionally booked it for the run up to the next general election. Clearly she shares Mr Heath's view that it is the sensible way to progress round the British Isles.

The train has telephones, air conditioning and every modern con. Mr Heath said at the start of his inter-city trek that it was the obvious platform (no pun intended) from which to mount an election campaign. "Except, of course," he added "the security aspect."

Security apparently does not worry Mrs Thatcher and her advisers—and why should it? It does not seem to me that a train is necessarily more vulnerable than an aeroplane or a motor car. Mr Heath's two bodyguards are in close attendance on the train this week. No doubt Mrs Thatcher's security men will be in the weeks preceding the election.



### Vacant chair

Not only is the Labour Party short of funds, but it lacks a chairman for its finance and economic committee.

When the committee last met, only officials and two members of the national executive turned up: Norman Atkinson, party treasurer, and John Cartwright, first item on the agenda was election of chairman. When an official called for nominations, Messrs Atkinson and Cartwright just stared at each other. The meeting was adjourned.

### The Waffen-SS: an epilogue

You would, rightly, have thought that once those two former Waffen-SS officers were sent packing by the Home Office last month, that would be the end of the story. Not so. There is a final instalment.

But first, a brief recapitulation. The two men, one of them a member of Hitler's personal bodyguard, and the other a commander of an SS division, came to Britain in 1945 and were called a new book: *Waffen-SS: a History in 1,115 Pictures*.

If that really was the reason they came, they need not have bothered. I now learn that the book was first published in 1973, despite advertisements by a Brighton firm of publishers that spoke of "a unique and historic publishing event." A revised edition was brought out.

The reason they got together was that both started their careers as messengers on *The Times*.

Come the war, Mr Heron joined the army and nearly seven years later returned to the paper as a foreign and war correspondent.

Admiral Lygo joined the Navy, and decided not to return

### Most titled man in fiction

Not only was *The Narrative of Arthur Gordon Pym* the longest story Poe ever wrote, but its full title is arguably the longest in all fiction. Take a deep breath, stifle your incredulity and read on.

*The Narrative of Arthur Gordon Pym of Nantucket. Comprising the Details of a Mutiny and Atrocious Butchery on Board of the American Brig Grampus, on her way to the South Seas, in the Month of June 1827—with an Account of the Capture of the Vessel by the Survivors; Their Shipwreck, and Subsequent Horrible Sufferings, from Famine; Their Deliverance by Means of the British Schooner, Jane Guy; the Brief Cruise of this Latter Vessel in the Antarctic Ocean; Her Capture, and of the Massacre of Her Crew, among a Group of Islands in the 84th Parallel of the Southern Latitude, together with the Incredible Adventures and Discoveries still further South, to which that Distressing Calamity gave Rise.*

You might think, after that, that the story itself is superfluous. The omnibus title is

It is delirious for old postcards and philatelist for matchbox labels but what is the word for collecting wine labels? The difficulty is not that there is not one word but that there are two. Some enthusiasts for the hobby arranged a competition and selected "vinifilism". Now it emerges that vinifilism has a rival, derived from the Greek rather than the Latin. In 1972 a reference librarian at the state library of South Australia coined the word "oenotypophily" for an exhibition of wine labels the library was staging.

### Heavy breathing

The expected end to the lift mechanics' strike will come as a relief to Sir Frank Cooper, permanent secretary at the Ministry of Defence. A heavy smoker, Sir Frank carefully chooses his companions for the climb to his sixth floor office, avoiding, for example, those whose pace leaves him panting and breathless.

Meanwhile, over at education, 70-year-old Lord Donaldson, whose office is on the eleventh floor, has not been seen for a week, and the civil servants all vie to avoid the "bivouacs" of accompanying Mrs Shirley Williams on her spring up to the 12th floor.

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Founded in  
cooperation  
policies and

Islam-



ADVERTISEMENT

Founded in 1945 the Arab League has adopted the principle of gradual cooperation among its member states. Its main purpose is to coordinate policies and strengthen links between nations.

The Arab League is a voluntary association of independent Arab states, founded in 1945 to coordinate policies of member states and to strengthen their natural links. Its membership now totals 22 and includes Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, Yemen Arab Republic, Yemen People's Democratic Republic.

The dozen of similar regional organisations in other parts of the world, the Arab League has evolved effective institutions reflecting its objectives to coordinate political, military, economic, social and cultural programmes within the Arab world. At the apex is the Council of the Arab League based in Cairo. Consisting of representatives from the 22 member states, including Palestine, the Council meets twice a year and operates on the formula of a single vote for each representative.

Unanimous decisions are, of course, binding on all member states but majority decisions only bind those states which have accepted them. There are 16 permanent committees entrusted with specific topics and they include the political committee whose membership includes all member states represented usually by their foreign ministers; the cultural committee; the economic committee which complements the autonomous Economic Council set up in 1953; the communications committee which is responsible for land, sea and air communications as well as meteorology and postal affairs; the social committee which is basically concerned with family and child welfare; the legal committee which formulates all agreements; the Arab oil experts committee which studies proposals for the coordination of oil policies as well as monitors the smuggling of Arab oil into Israel; the information committee which implements the policies adopted by the Council of Information Ministers; the health committee; the human rights committee which pays particular attention to the violation of human rights in Israel; the committee for administrative and financial affairs; the meteorology committee; the Arab experts' cooperation committee; the Arab women's committee; the youth welfare committee; and the liaison office for Arab commercial activities abroad.

The day-to-day activities of the League are handled by the General

Secretariat headed by a Secretary General who is appointed by the League Council by a two-thirds majority agreement. The Secretary General then appoints the six assistant secretaries and other principal officials with the approval of the Council. The organization of the Council and includes a number of permanent departments: economic, political, legal, cultural, social and labour affairs, petroleum, finance, Palestine, health, information, communications, protocol and, the most recently formed, African affairs.

In addition, five groups have been set up under the terms of the Treaty of Joint Defence and Economic Co-operation concluded in 1950. On the military side, they are the Joint Defence Council composed of the Ministers of Foreign Affairs, and Defence and it is responsible for the supervision of military coordination; the Permanent Military Commission staffed by representatives of army general staffs and set up to advise the Joint Defence Council; the Military Advisory Organisation which has similar consulting function; and the Arab Unified Military Command set up in 1964 to coordinate defence policies for the liberation of Palestine. On the development side, the Treaty set up the Economic Council to coordinate economic programmes and is composed of the ministers of economic affairs of member states.

The Arab League has adopted a policy of gradual cooperation which is reflected in the organization of its committees and departments responsible for the coordination and investigation of precise areas of development. This function is most easily underlined by the creation of a number of specialized agencies which attempt in a pragmatic and professional way to offer solutions to common problems of social and economic development. Many of these specialized agencies are especially active in creating close links with parallel agencies within other regional or international agencies. For instance, the Arab League Educational Cultural and Scientific Organisation (ALESCO) is the Arab equivalent to UNESCO at which the Arab League has a permanent delegation. Like UNESCO, ALESCO aims at promoting educational growth and creating cultural facilities to provide a sounder basis for economic and social development. Most of its activities are carried out through subsidiary

organisations such as the Institute of Arab Studies and Research Work which has a special department devoted to Palestinian studies, the Arab Literacy and Adult Education Organisation, the Institute of Arab Manuscripts, the Permanent Bureau for Arabisation and the Museum of Arab Culture.

Other autonomous bodies associated with international organisations include the Arab Labour Organisation set up in 1965 to unify labour and employment codes; the Arab Health Organisation; the Arab Postal Union; the Arab States Broadcasting Union whose membership now includes 21 Arab TV and radio stations and four foreign associates, the Arab Telecommunications Union which is now fully engaged in the setting up of Arabsat, an Arab satellite communications system; the Civil Aviation Council of Arab States which closely co-operates with the International Civil Aviation Organisation to standardise laws and technical terms; the International Arab Organisation for Social Defence Against Crime set up in 1965 to study the causes and remedies for crimes and the rehabilitation of convicted prisoners; the Joint Arab Scientific Council for the Utilisation of Atomic Energy which is responsible for monitoring peaceful developments in atomic research and for coordinating Arab programmes; the Arab Organisation for Standardisation and Metrology collaborates with international bodies to effect standardisation of weights and measures and to unify technical terms and specifications for food, drugs, oil, minerals and other products; the Arab Organisation for Agricultural Development; and the closely associated Arab Centre for the Study of Dry Regions and Arid Territories based in Damascus; the Arab Organisation for Administrative Science which publishes a useful research series on Arab management skills; and the Arab Institute of Petroleum Research.

The comprehensive system of subsidiary and specialised agencies reflects the League's commitment to practical co-operation in the Arab world. This same pragmatism is mirrored by the Arab League's external relations formulated to coordinate activities at all levels of Arab embassies abroad. For instance, there are Arab League offices or information centres in Argentina, Belgium, Brazil, Canada, Chile, France, Federal Republic of Germany, India, Italy,

# ON THE ROAD TO UNITY

Japan, Spain, Switzerland, United Kingdom, United States, Kenya, Nigeria and Senegal.

In many respects, the Arab League resembles the regional or international organisations in other parts of the world. But on several vital levels, its role, functions and features are unique. First, its character is determined by the specific conditions of the Arab world and, above all, by the omnipresent thrust of Arab nationalism. Unity in the Arab world is impelled by the history as well as the future of this vast area stretching from the Gulf to the Atlantic Ocean. Formed by 13 centuries of Arab and Islamic civilisation, the 22 modern states included in the Arab world have a natural identity based on a common religion and a common language. Most of the states have shared the same historical experiences first as elements of the vibrant Arab empire from the 7th to the 14th centuries and then as parts of the Ottoman system from 1500 to 1917. Indeed, despite the complexity of ethnic, social, economic and—in some countries—even religious and cultural organisation, the commonality of shared history and identity has prevailed since AD 700.

The expansion of Western influence in the area in the 19th and 20th centuries has to some extent disguised this natural recognition of shared identity and has created often competitive responses to the inevitable modernisation of the Arab world. The French presence in North Africa and the Levant and the British involvement in the Mashreq have especially confused but not destroyed the omnipresent sentiments of modern Arab nationalism. Perhaps the survival and even flowering of the sense of common destiny despite the traumatic events of the last 100 years is an ample testimony to the forcefulness and necessity of a shared allegiance to 1300 years of history and to visions of a common future.

The dispossession of the Palestinian people and the confrontation between the Arab world and the essentially European state of Israel traumatised the Arab World as no other single event had done, destroying regional stability and provoking a disturbing re-examination of Arab nationalism. One effect was the demonstration of the need for the coordination and co-operation for which the Arab League was designed. Consequently, the League was gradually transformed from an arena for inter-Arab dialogue into a practical coordinating

mechanism necessary for the effective strengthening of Arab military and economic bases. As a result, the Arab League has assumed the crucial role of coordinating inter-Arab military and political programmes vis-à-vis common threats to the Arab World. The Summit Conferences of the heads of Arab States are held under the auspices of the Arab League. One leading (typical) example being the Khartoum Summit Conference in August 1967, which was held to formulate common responses to the June war, resulted in the commitment of regular subsidies and military support to the front-line states by other Arab countries. This general Arab support mobilised by the Arab League was reiterated at the Rabat summit in 1969 and the crucial Algiers summit in November 1973 after the successful Egyptian crossing of the Suez Canal during the October war.

At the same time, the Arab League has attempted to encourage a sound regional stability which the unending conflict with Israel often prevents. Indeed, the trauma of recent history in the Middle East has created a number of differing, often competing responses in the Middle East. But the growth of the Arab League is perhaps the outstanding achievement and the League has more and more involved itself in reducing tensions and mediating actual disputes. The cessation of the Lebanese civil war through Arab League efforts and the creation of a special Arab peacekeeping force which has successfully intervened in the Lebanese conflict certainly demonstrates the importance and efficacy of this Arab role. Similar Arab League mediation may prove as effective in providing a peaceful solution to the Algerian-Moroccan-Mauritanian dispute over the Western Sahara.

Second, the Arab League has focused the attentions of the Arab world on Europe and Africa and created the mechanisms to stimulate active and practical cooperation. The formation of a general committee on the EEC allowed the subsequent evolution of the Euro-Arab dialogue which, for the first time in the often troubled history between the two regions, has set out to define and strengthen specific areas of cooperation between the Middle East and the EEC. In many ways, the Euro-Arab dialogue is a natural outcome of the geographic, strategic and economic links between the two, but in other ways it underlines the effective co-operation which each side is able to

achieve. Similarly, the League has strengthened the Arab world's even more natural ties with Africa. Not only are seven members of the Arab League members of the Organisation of African Unity but an uninterrupted belt in the Sabel and Central Africa has historical and religious affiliations with the Arab world. Indeed, the language of African nationalism, Swahili, is closely linked to Arabic. To underline this special relationship, the Arab League has mobilized Arab support for Africa on a number of levels. On the grand scale, the institution of a series of Afro-Arab summits, such as the Cairo meeting in March 1977, has profoundly strengthened the basis of inter-regional cooperation. More specifically, the creation in 1975 of the Arab Bank for Economic Development in Africa has provided an essential institution for the visible strengthening of Arab cooperation with Africa.

Finally, the massive increase in the wealth of many Arab states after the readjustment of oil prices in 1974 has re-inforced the economic basis for Arab unity. Indeed the combined GNP of Arab League states now totals more than \$180 billion and heralds unprecedented opportunities for development throughout the Arab world. To make this development as effective and even-paced as possible, the Arab League has dramatically increased its economic functions. One effect has been the creation of Arab League-sponsored aid institutions such as the Arab Fund for Economic and Social Development to channel investment funds from the wealthy to the less wealthy Arab states. Similarly, it has helped to set up the Arab Monetary Fund along the lines of the IMF to buffer liquidity problems. But perhaps more important in the long run has been the League's involvement through its specialized agencies and departments in coordinating development plans to ensure greater complementarity of trade. Complementarity is also the aim of the Arab Common Market set up in 1964 and which Egypt, Iraq, Jordan and Syria have so far joined.

More successful has been the creation of Arab joint companies through the Council of Arab Economic Unity. These now include joint ventures for mining, animal wealth, pharmaceuticals and medical supplies, agriculture and food production, tourism and industrial investments.

## Islam—a guide for the future

Islam has left its mark upon many peoples from Spain to the Indonesian archipelago. The community which fourteen centuries ago gathered around Muhammad and his companions now consists of an estimated eight hundred million people, a quarter of the world's population. Islam is more than a religion; it is a way of life which has succeeded in uniting all Muslims everywhere, whatever their nationality.

Every year, during the month of Dhu al-Hijja, the Pilgrimage Month, several million Muslims converge upon Mecca in perpetuation of a custom established by the Prophet as one of the basic precepts of Islam. The performance of the "Hajj" is incumbent upon every Muslim at least once in his lifetime, if he can afford it and if health permits it. This dramatic event illustrates the singular unity which characterises the spirit of Islam.

The Quran, as well as being a spiritual guide, is also geared to the practical considerations of everyday life. Thus, Islamic "Holy" law deals with the fundamental aspects of existence in a civilised community as well as points of religious observance. Islam has avoided clothing itself in superstition and excessive ritual, it has always existed as a practical and dynamic idea. The Prophet, more than a religious leader, was also a head of state founded in AD 622 when Muhammad and his followers finally left Mecca and went to settle in Medina.

Fifty years after the Hijra—as this migration of the community was called—Islam had grown from a

small group of austere monotheists occupying one town to an empire which included Iraq, Palestine, Syria, Cyprus, part of Egypt and the ancient Persian empire. Most of the lands into which Islam so quickly spread had already reached a high level of cultural development. As the Arabs advanced they found themselves in control of governments more complex than their own tribal system and in many cases adopted the existing order where appropriate. As it expanded therefore, Islam often absorbed as much as it brought with it, assimilating foreign thought and methods but always giving them an essentially Islamic character. Many institutions were allowed to continue in their functions and many people, perceiving the obvious advantages of Islam, were glad to adopt the new faith.

Several factors contribute to the success of this early Islamic period. When Muhammad died in AD 632 he had appointed no successor as leader of the Islamic community "al-Umma". The responsibility of choosing a successor was assumed by a council of the Prophet's companions. Eventually Abu Bakr, one of the earliest of Muhammad's supporters, accepted the role and the title of Caliph (Khalifa—successor or "Vicar"). During his lifetime Muhammad had always stressed that he was no more than an ordinary man and that he possessed no supernatural powers; he was merely the vehicle of God's message as revealed in the Quran. Furthermore, since he was the last of God's prophets the role of the Caliph was restricted to that of leader of the Umma

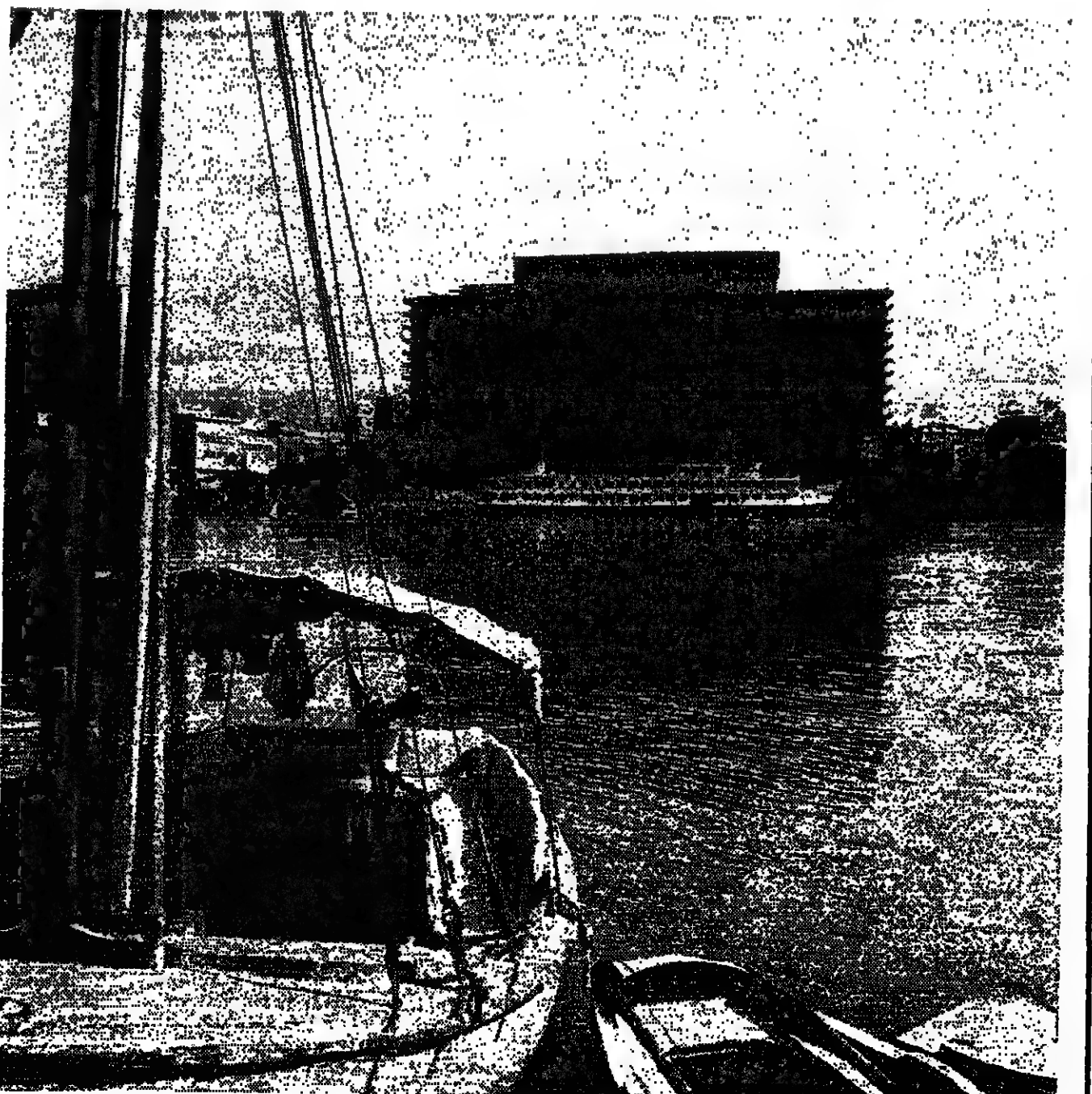
and guardian of its identity. This soon became difficult however. Many Muslims were of the opinion that Ali bin Abi Taleb, the prophet's son-in-law and cousin, should have succeeded to the Caliphate. This group called itself the Shi'at Ali (Ali's Party) or later, simply the Shi'as. Thus, even at this very early stage of Islam, the Arabs were divided. As tension and ill feeling increased between the two groups a direct confrontation was only avoided through skilful diplomacy. The armies of the rival factions were persuaded to unite and were despatched on a campaign of "jihad" literally "arriving in the way of God"—to spread the message of Islam.

The success of these early campaigns was spectacular. Only three years after the Prophet's death the Arabs entered Damascus, seven years later the rich but decadent Persian empire under the corrupt Sassanid regime fell to the Muslims. Meanwhile, however, internal disputes continued to simmer between the orthodox Muslims and the supporters of Ali. Matters finally came to a head when Ali was defeated in battle and later, in January 661, was murdered by an extremist fanatic. His son, Hassan, renounced his claim to the leadership but the Shi'ite movement, far from collapsing continued to exist and took more of a religious than political tone. The Caliphate was assumed by the ambitious Mu'awiyah, Ali's victor. This marked the foundation of the Umayyad dynasty with its capital in Damascus. The Umayyad court, whilst remaining essentially Arab and strictly Islamic in practice adopted much of the

pomp and administration of its recently conquered Persian predecessor. As the Muslim empire expanded into Byzantine territory Roman law began to play a part in those areas of the law not covered in the Koran and in dealing with Islam's non-Muslim subjects. Generally speaking, the Arabs displayed an attitude of tolerance to the Jewish and Christian subjects who, as follow "People of the Book"—the Bible—worshipping the one God, were granted privileges such as freedom of worship. The lack of oppression allowed society to flourish under the new and dynamic Arab regime as Islam spread westwards to the Pyrenees and eastwards into India and to the borders of China.

In AD 750 Abu al-Abbas led a revolution against the Umayyads and having succeeded in defeating them founded his own dynasty with capital at Baghdad. Under the Abbasids the Islamic empire continued to grow with the Muslim armies twice reaching the gates of the Byzantine capital at Constantinople. The period was principally one of cultural development, however. The quest for knowledge is a fundamental part of Islam. People are fond of quoting such sayings of the prophet as "The quest for knowledge is an obligation on every Muslim" or "Seek knowledge even unto China". Under the liberal patronage of the Abbasid dynasty science, art and literature flourished at a time when Europe was struggling through the Dark Ages. Schools were set up on government grants to translate the Greek Philo-

Continued on page IV





# Viability of creating an independent state of Palestine: economic assessment of likely resources and prospects for the future

## Legitimate rights of Palestine people

The Middle East crisis began in Palestine. The burden of history insists that there it should end. Indeed, now that the international community through the United Nations recognises and supports the legitimate rights of the Palestinian people, prospects for a solution to the seemingly unending Arab-Israeli conflict seem brighter than ever. Most importantly, the creation of an independent Palestinian state based on the West Bank of the Jordan River and the Gaza Strip and the peaceful coexistence of this state with Israel through international guarantees—a formula strongly favoured by many Arab countries as well as the U.N.—is a suggestion that provides the strongest hopes for a final settlement.

Not surprisingly, Israel has demonstrated a marked reluctance to accept the legitimisation of a Palestinian homeland. Despite the promise of international guarantees offered by, among others, the United States, to ensure Israel's security, the Israeli Government argues that the existence of an independent Palestine will pose an irreducible threat to regional stability and place an implacably hostile neighbour on its vulnerable borders. Considering the chronic insecurity resulting in four Arab-Israeli wars and dangerous political and economic burdens shouldered by both sides since 1948 precisely because of the dispossession of the Palestinian people, the Israeli argument that the restitution of a Palestinian homeland will provoke even greater instability demonstrates an unfortunately obstinate short-sightedness. Because of 30 years of embittered struggle by the Palestinians to regain their own state, there will possibly be some residual tension between the now independent Palestinian state and Israel and only the proof of time and the active cultivation of goodwill by leaders on both sides will be able to allay such friction. International guarantees of territorial integrity will, of course, make certain that whatever tensions do exist are contained and that opportunities for the eruption of actual hostilities are eliminated. Such a prospect, no matter how unpleasant in the short and medium term, is indeed far preferable to the outbreak of another full-scale war between Israel and its Arab neighbours which will be inevitable unless the Palestinian problem is resolved.

Israel's political and military assumptions about an independent Palestine are complemented by accusations that the West Bank and Gaza cannot form the basis of a viable state. Remarkably, similar arguments were formulated in the 1940s to demonstrate that the embryonic Israel could not be economically viable. These earlier accusations against Israel were wrong. And so are the current arguments by Israel.

## Great value of human resources

These arguments centre on the inevitably small size of the probable Palestinian state, the physical separation of the West Bank and Gaza Strip, absence of any natural access to the sea from the West Bank and the lack of natural resources. The argument that its smallness would make it non-viable is especially specious. Belgium, Holland, Trinidad, Jamaica, Singapore and even Israel itself have all achieved relatively sophisticated economies despite small territorial bases. And using the U.N. Study of Land Policies as a basis for evaluation, the director of the Land Use Institute in Tel Aviv has suggested that a total of 640 square kilometres would be required to support a

population of one million on the West Bank. Assuming that the area of the proposed Palestinian state will be around 6,000 square kilometres and that the present Arab population of one million will be re-inforced by the return of up to two million refugees, there would seem to be ample space to maintain a substantial Palestinian population on the West Bank and the Gaza Strip.

The separation of the West Bank and Gaza Strip is a far more difficult proposition. The Gaza Strip, covering 378 square kilometres on the south-western edge of Israel on the Egyptian border, now has 440,000 inhabitants which are, to some extent, dependent on employment in Israel. The 5,949 square kilometre West Bank has a population of 690,000 Palestinians and will probably be the focus of most of the returning refugees. Nor does the crowded Gaza Strip offer as much potential—isolated and labour-exporting as it is—as does the West Bank. Economic integration of the two elements will, therefore, be an essential priority of the new Palestinian state and can only be achieved by Israel's acceptance of some formula to allow the unrestricted access from one area to another. An internationally patrolled corridor between the two regions would invariably be the most attractive device. There are as well more imaginative but less imperative options open to both sides. For instance, the international economist, Dr. Elias Tuma, of the University of California, has suggested two possible alternatives: a Palestine based on Galilee and the West Bank extending south-west to the Dead Sea and curving across in a corridor of access to the Mediterranean at Acre; and, secondly, a state centred on the southern part of the old British Mandate territory and cutting south-west to include the Gaza Strip. But, whatever the precise outlines of the Palestinian homeland, even the fragmented state which seems to be the most apparent solution, will prove to be viable. First of all, the Arab dynamic will ensure absolute co-operation with neighbouring Arab states and easy access to Aqaba port through Jordan for the West Bank and to Egypt and the Suez Canal for Gaza. Secondly, the insistent nationalism of the Palestinians themselves who have discovered a unique identity by sharing a common tragedy for the past 30 years will provide the necessary basis for the creation of a homeland no matter how disjointed. As a result, territorial contiguity need not be an absolute precondition for nationhood.

Equally, there is little justification to deny the viability of the proposed state because of its apparent poverty and lack of natural resources. With a per capita income of \$300 compared to \$450 in Jordan, \$700 in Lebanon and \$1,900 in Israel the new state would indeed begin life as the most impoverished country in the area. But its potential is demonstrable and consistent economic growth could be achieved by intensive development of agriculture, light industry, tourism and exportable services. Agriculture would necessarily receive the greatest attention in order to overcome the present shortage of water resources. But the Israeli and, increasingly, the Arab experiences in developing agriculture in arid regions proves that lack of water is not an insurmountable obstacle. The Arab Centre for the Study of Dry Regions and Arid Lands and the high technology agricultural experiments in Saudi Arabia, Kuwait and Abu Dhabi will invariably provide invaluable sources of expertise to overcome this problem in Palestine. As a result and if there is an immediate and hefty investment in irrigation projects, there is no reason to suppose that the small Palestinian state could not develop a flourishing agricultural sector in its less hospitable regions. Costs for such programmes would indeed be high—as much as \$1 billion—but considering the

commitment of the Arab world to a Palestinian entity it is certain that the Arab community of states would be willing and able to provide the necessary funds.

Light industry which had been run down during the occupation in order not to compete with industrial activity in Israel proper would need similarly high levels of investment. The development of manufacturing will be especially attractive, however, because of the high quality of manpower resources. Palestinians on a per capita basis are the best trained and most educated group in the Arab world. Many of them have had invaluable experience as managers, technicians or skilled labourers in other Arab countries and would bring with them essential skills necessary for the creation of a sophisticated economy. The growing economic integration of the Arab world will also ensure substantial markets for the manufacturing industries utilising this skilled domestic manpower.

Tourism is already an important source of income and, with the resolution of the Middle East crisis heralded by the creation of a Palestinian state, would certainly flourish even more. Again, hefty investments would have to be made in infrastructure and facilities to cope with the growing number of Christian, Muslim and Jewish pilgrims to the Holy Cities on the West Bank.

The most immediately realisable resource would be the Palestinian people themselves. As the most educated and skilled group in the Arab world, they have easy access to employment in the booming oil countries. Judging from the dimensions of remittances from workers abroad received by labour-exporting countries such as Egypt and Lebanon, the flow of repatriated earnings from this employment could well total \$500 million a year once the population potential has been reached.

According to most preliminary investigations, the income target of the new state would have to be \$600 a head to make it economically viable. Assuming a population potential of 3.2 million, the investment needed to realise this level of per capita income would be \$5 billion. To many critics of the Palestinian state such "lavish" expenditure on such a small vulnerable country to make it viable is a demonstration of just how absurd the reality of an independent Palestine would be. These critics perhaps ignore the far greater absurdities of war. For instance, the October war in 1973 cost Israel about \$8 billion and Egypt and Syria \$15 million. The price of an independent Palestine is perhaps better value for money.

The insistence of Arab commitment to the Palestinian struggle suggests that the new state would have immediate access to massive investment funds from the oil-rich members of the Arab League. Nor would economic viability be assured by only regional assistance. The international community, invariably threatened by the implications of the Arab-Israeli conflict is equally impelled by its own interests to ensure a solid-based and flourishing Palestine. Indeed, the creation of an independent Palestine presents the impressive probability of internationally sponsored economic development with Arab money and Western expertise and technical assistance creating a vibrant economy in the new Palestine.



# The Euro-Arab dialogue

The overall dialogue between the Arab world and the nations of Europe has many strands at many levels. It could hardly be otherwise. There is the simple arithmetic of oil and oil money, dependence as far as Europe is concerned, whatever the North Sea eventually yields.

For European companies the Arab world is a major market. Saudi Arabia, as an instance, will within a decade have a buying power equal to that of a country like France or even, if the cost of oil keeps rising, of a country such as West Germany.

Arab financial institutions are playing a widening role that is taking their influence well beyond the confines of the Middle East. Just as the European level of investment in Arab countries is rising, so is Arab investment, at both institutional, company and individual level, increasing in Europe as much as in other industrialized countries.

Patently the political importance of the Middle East in world affairs creates a vital bond of interest however divergent views of the individual countries might be at any one time towards one or other specific issues.

Without doubt the most important expression of these interdependencies has so far been the Euro-Arab Dialogue, with its active General Committee, created in November 1973 in the wake of the October War. The initiative came from three nations of the European Community in tacit recognition of the economic and political influence of the Arab nations. The Europeans particularly wanted to work out where there could be economic cooperation with Arab countries. Naturally enough the Arabs, while also aware of the advantages of economic cooperation, were especially interested in getting some European influence behind their political stance in the Middle East, centring on the question of Palestine.

It was inevitable that the Euro-Arab Dialogue would have its difficulties as both Europeans and Arabs grappled with the need to understand each other's point of view. There was also the point, for instance, when Henry Kissinger, then United States Secretary of State, curtly told the European Community to keep politics out of the Euro-Arab Dialogue.

But such phases with their difficulties and problems have largely proved to be growing pains in the development of a much surer awareness of what can be achieved between Europe and the Arab world and certainly in the strengthening of the Euro-Arab Dialogue as an organisational entity.

It is important to understand both what the Dialogue means to Europeans and Arabs and what it can reasonably achieve, but what is already clear is that the Dialogue has now entered a new and already fruitful phase.

At the last meeting in Brussels in late October progress was made on a

number of practical steps towards co-operation. The General Committee authorized expenditure on nine projects, more than covered by an initial funding agreement under which the Arab nations put up around \$15m (about £3.5m) and the Europeans some \$3.5m (nearly £2m).

Two symposiums, aimed at broadening understanding, are to be organized. One will explore the cultural differences between the European and the Arab worlds, with the emphasis on explaining the intricacies of the Islamic culture to Europeans. This is particularly valid with the increasing involvement of European companies and organizations in the building up of the infrastructure of fast-developing Arab nations.

The other will explore the concept of new towns, bringing together the considerable experience which now exists in Europe—especially the United Kingdom—of this method of dealing with burgeoning communities.

Arab states now in the throes of coping with almost instantly created industrialized communities should find it especially illuminating to hear in detail of the European experience of what has proved to be the problems and misapprehensions of earlier new town planning.

In the more affluent Arab states the planners naturally already work to the concept of providing for a new community's total needs, from schools and mosques to shops and entertainment. But even in less affluent countries where the overriding call on resources is to provide homes—as in some areas of the new Suez zone cities—the European experience should be able to furnish a time-frame for sensible planning for the subsequent addition of the rest of the infrastructure necessary to a community's successful development.

The General Committee also authorized expenditure on three agricultural studies, in the Sudan, Somalia and Iraq. Four major transport studies are also to go ahead.

It is particularly encouraging that schemes with a more practical economic impact—of particular interest to European countries with their need to increase trade with the Arab world, thus evening up the balance of trade that is so much in favour of the oil producers—are falling under the aegis of the General Committee.

There was in the past a tendency to by-pass the Dialogue organization with inter-regional economic arrangements between the European Community and Arab nations. The Lome Convention in early 1975, for instance, involved three Arab countries (Somalia, Sudan and Mauritania) as well as some 40 others in Africa and elsewhere.

The following year the Community concluded an economic agreement with the Maghreb—Algeria, Morocco and Tunisia. There were subsequently other agreements with Jordan, Syria and Egypt.

One of the reasons undoubtedly was the position in which the Community found itself with respect to taking a

definable political stance on the outstanding Middle East issues, notably that of Palestine. If one excluded the politics, the feeling appeared to run, there was less chance of cooperative ventures being disrupted by any crises that might develop.

In the earlier years of the Dialogue, moreover, it must have seemed there was little to gain in straining relations with the United States by adopting sharply differentiated policies when the Community after all was arguably less than a major influence on the Middle East political issues.

Inevitably in such a situation there was resort to a certain measure of diplomatic ambiguity. Equally inevitably that did not find favour with Arab leaders accustomed to speaking out clearly in sharply defined ideological terms. But the Arab point of view essentially was that economic matters could not really be divorced from the political, simply because there was so much interaction involved.

It also became clear that Arab opinion was well aware of the diplomatic niceties and realistically was not asking the impossible of Europe. In other words the Dialogue, though shaky during the closing months of the Kissinger policies, was holding up despite considerable pressures.

Well, fire tempers the steel, and anyway along came the Carter Presidency. There is now more flexibility in the United States approach to the Arab-Israeli situation and Mr Carter is avoiding the error of trying to decide the future of Palestine without also tackling the question of the Palestinians.

The European Community has now been able to take up a more positive attitude. In June the EEC heads of government particularly went out of their way to point out that a solution to the Middle East conflict depended on the translation into fact of the legitimate right of the Palestinian people to self-determination and to their national identity. That would have to take into account the need for a homeland for the Palestinian people, it was pointed out.

The EEC believed the Palestinian people should participate in peace negotiations, the early resumption of which it saw as crucial, with all participants approaching the issues in a constructive and realistic spirit. Israel needed to end the territorial occupation it had maintained since the 1967 war and must be ready to recognize the legitimate rights of the Palestinian people.

Equally the Arab side must be ready to recognize the right of Israel, and every state of the region, to live in peace within secure and recognized boundaries, the EEC pointed out.

The European Community's policy, underlined at the United Nations in October, has lessened the gap between the European and Arab points of view within the Dialogue. But the Dialogue is still some way from being able to establish a common political platform on Middle East issues.

The chances of achieving that rest upon the commitment at the October meeting of the General Committee that both sides would work towards a meeting of the Dialogue at foreign minister level. A date and a place for such a meeting has not yet been fixed but is expected in the early part of next year.

The Arab delegation at the October meeting felt it was time the Community recognized the Palestine Liberation Organisation as legitimate representative of the Palestinian people.

It was also suggested that the Community should suspend economic and military aid to Israel. Obviously the Arab delegation felt it was inconsistent that the Community should have a preferential trade agreement with Israel while criticising Israeli actions in the occupied territories. Aid naturally must help Israel in continuing to enforce its occupation there.

The Palestinian delegation called strongly for a comprehensive policy on the Middle East and insisted that an agreement should be reached at the next meeting of the General Committee. However, the delegation stopped short of writing an end to the Dialogue if such an agreement was not forthcoming then.

The Europeans for their part clearly felt that the key to the Middle East peace negotiations lay outside Europe, at any rate for the time being. For the moment keep a comparatively low profile on the politics seemed to be the general feeling and until the foreign minister meeting takes the two sides nearer to a common political platform this may to an extent be necessary, depending on events.

Even so it would be easy to underestimate the extent of the accord already achieved within the Dialogue and the more the commerce of ideas flows the more this could grow. Nevertheless the delicacy of the political issues is not the only problem facing the Dialogue.

The Dialogue could, for instance, be the means of establishing the conditions for the conclusion of preferential trade agreements between the Community and the Arab world as a whole. But to move away from bilateral agreements would be a major policy switch for the Europeans. There is also the problem that some of the Arab countries are running trade surpluses because of oil revenues while the Community has a massive trade deficit, amounting at the moment to some \$14,000m (nearly £3,000m).

European assistance for Arab industrial projects inevitably produces a clash of interests. For every official co-operative venture entered into there could be a consequent loss to a European country of a contract to provide the expertise.

Arab countries, too, naturally want not just to sell crude oil but to reap the rewards of refining it as well as engaging in other downstream activities like the production of plastics, fibres and so on. But in the Commu-

ity there is surplus refining capacity, so to help produce additional competitive capacity elsewhere hits hard at any rate the short-term interests of individual countries in the Community. There is a similar clash of interests as far as creating new steel-making capacity is concerned.

There does however seem a good chance of setting up a centre to disseminate technological know-how, a prime need of the Arab countries. A Euro-Arab Institute has been suggested and, given Arab keenness to centralize the operation in the Middle East, Tunis has been considered as a location.

There has been some preparatory work on other cooperative projects. These include the drafting of a reciprocal code for the protection of investments, rules for protecting the marine environment and the definition of a standard commercial contract.

Although the political questions now loom largest over the future of the Dialogue, potentially the most important developments will be in these areas of technical and practical cooperation. The great advantage in the Dialogue establishing regular and open channels of communication is the regularity that must be achieved in the exchange of the sort of technological information that provides the essential building blocks for the industrialised societies now being built by the Arab nations.

On another level admittedly this has been occurring for some time. The Arab world has been buying the expertise of the West for projects as diverse as oil refineries, dam and port construction and the most advanced medical, electronic and other technological facilities. British consultants particularly have benefited from this hunger for expertise.

The trouble is that this way technological information is being amassed piecemeal. An integrated programme such as would be possible via the Dialogue would plug the gaps particularly for those Arab countries less rich in natural resources whose greater need of technical and industrial stability would contribute both to the growth of the Arab world as a market for European goods and as an economically—and therefore politically—stronger entity in the Middle East.

The greater the economic and political strength of the Arab nations the more stable the Middle East becomes. While the less rich Arab countries could at the technical level be the greater beneficiaries of a continued progress within the Dialogue, there could equally be benefits within Europe, particularly for Italy with its balance of payments problems. If trade grows between Europe and the Arab countries Italy is the natural gateway for exports and could itself contribute more goods for the Arab economies.

As things stand Italy has seen an immense growth of exports to the Arab world. In one year alone to the end of 1975 Italian exports to Saudi Arabia rose 141 per cent, to Iraq 173 per cent, to the United Arab

Emirates 150 per cent and to Algeria 70 per cent. Even to Libya, where Italy has been a traditional supplier, exports rose by 20 per cent.

While the increased price of oil has been a major drain on Italy's financial resources the country has nevertheless gained from increased trade with the Arab world. Another example of the recycling of petrodollars was the Libyan Arab Foreign Bank's taking a 13 per cent holding in Fiat, the major Italian vehicle manufacturer.

SUMED, the major oil pipeline linking the Gulf of Suez with the Mediterranean which was opened recently, was built by Italian companies. This pattern, already echoed particularly with companies in the United Kingdom and West Germany, would undoubtedly be strengthened the more fruitful the Dialogue became.

Undoubtedly a major measure of success for the Dialogue is going to be, not only a growing trade between Europe and the Arab world based on a realistic, commonly backed policy on Middle East affairs, but the way the problem of the less-rich Arab states is tackled.

For instance in Egypt there is one scheme for the reclamation of some 3m acres in the south involving a canal network fed by the waters behind the Aswan high dam. British and French experts have been helping prepare plans for growing crops including tea, coffee, sugar cane and wheat. Roads, railways, towns and airports will also have to be built.

Another project involves reclaiming large tracts of the Sinai desert. It is also planned to reclaim some 500,000 acres along the Suez canal. Massive help for such harder-pressed Arab countries—the Sudan being one of the most striking examples—has already been forthcoming from the richer Arab countries. In the past, however, these have to an extent been piecemeal efforts, although a great deal has now been done to make them part of more fully integrated programmes, a process that could still continue with advantage.

The Dialogue could help that process as well as keying in European influence and commercial interest. In the immense surge of intra-regional development in the Arab world, in which Gulf states like Kuwait as well as Saudi Arabia have played such decisive roles, it is significant that straightforward aid is being progressively joined by strictly commercially-based investment.

There is an increasing involvement of individual investors' cash in the multifarious investment companies now operating. Given the right conditions and protection it shows how European interests at this as well as official level could grow.

There the Euro-Arab Dialogue as it prospers could pave the way, both by encouraging a favourable climate of opinion and by smoothing out practical difficulties.

## The Arab nation and Africa

The basic principle embodied in the Islamic creed is "unitarianism" (making partners with God), but if one will exclude the semantic, it has also come to mean "co-operation" in the Arab world. From its early beginnings in 1945, with the creation of the Arab League, the drive for co-operation to attain the common good for the Muslim people has become a drive for the common good of the people of the Third World.

At one time co-operation was purely a co-ordination of policies and activities. The Arab world was in the same boat as the rest of the Third World; stricken with poverty and low returns from exports, they were at the mercy of the aid and trade liberalization policies of the industrialized world. Then, as oil production increased in some countries and these countries' revenues increased concomitantly due to nationalist actions, these oil-exporting countries were released from a major constraint on their development—the balance of payments.

The ideals of the Arab League to improve the social welfare of the Arab people could now be attained at a more rapid rate. Financial and technical aid became a reality. In 1961, the Kuwait Fund for Arab Economic Development was formed and a precedent was established for channelling surplus oil revenues into other needy countries.

There are now nine major funds disbursing aid. They include the Kuwait Fund for Arab Economic Development (KFAED), the Kuwait-based Arab Fund for Economic and Social Development (AFESD), the Abu Dhabi Fund for Arab Economic Development (ADFAED), the Iraqi Fund for External Development (IFED), the Libyan Development Bank (LDB), the Khartoum-based Arab Bank for Economic Development in Africa (ABEDA), the Jeddah-based Islamic Development Fund, the Saudi Development Fund and the OPEC Special Account.

The majority of these aid agencies evolved, initially, to aid other Arab states but they have all come to assist projects in the non-Arab world too. The non-Arab countries of Africa have been prime recipients. The operations of the

KFAED must stand out as the pinnacle of the Arab funds. The Kuwait government stresses its operational cooperation in its diplomacy, conscious that survival and prosperity in the Third World will only be achieved. KFAED's purpose is to assist Arab and non-Arab developing countries in their development by providing technical and financial assistance. Its ingression into non-Arab Africa has been significant. In fiscal year 1976-77, KFAED lent KD15.75m (\$55.3m) to five non-Arab African states for various projects. (Table A.) Interest rates on these loans ranged from 1 to 4 per cent and they were for periods of 18 years or more. Grace periods were a plus. These loans went to finance projects in the agricultural, industrial, transport and communications sectors. (Table B.) In addition KD1,305,000 (\$4.6m) were disbursed in fiscal 1975-76 as technical assistance grants. Seven non-Arab African countries were the recipients of sums ranging from KD100,000 to KD230,000 (\$351,000 to \$808,000). (Table C.)

In fiscal 1976-77 loans to non-Arab African countries by KFAED were increased to KD249.1m (\$875m) benefiting seven countries. Also agreement was close with three other countries for loans totalling KD7.86m (\$27.6m) and there were another three projects in offing. And in March of this year, at an Afro-Arab summit meeting in Cairo, Kuwait promised KD68.328m (\$240m) to African states. This would be disbursed either in direct inter-government aid via KFAED, or through the African Development Bank or the Arab Bank for Economic Development in Africa, to which Kuwait contributed KD140.35m (\$492.98m) last year.

Not to be outdone the other Arab funds are of considerable importance to the non-Arab African developing countries. The Arab Bank for Economic Development in Africa is a relatively young institution but it is of critical importance in African development not simply because of its singular operations but because of its relations with the Arab League.

It was created by the Arab League at the sixth Arab Summit Conference in Algiers, in November 1973. All

members of the League subscribe to ABEDA except Somalia, the Yemen Arab Republic and the People's Democratic Republic of Yemen. The beneficiaries of ABEDA are all members of the Organization for African Unity except the Arab members.

At the end of 1976 ABEDA (incorporating the Special Arab Assistance Fund for Africa) had disbursed \$189.6m to 32 African countries but its involvement as co-ordinator had caused funds from several other aid into African states. (Table D.)

The Special Arab Assistance Fund for Africa was established by a resolution at a meeting of Arab Oil Ministers in January, 1974, under the title Arab Loan Fund for Africa. The aim was to provide urgent need to African countries suffering from serious balance-of-payments deficits aggravated

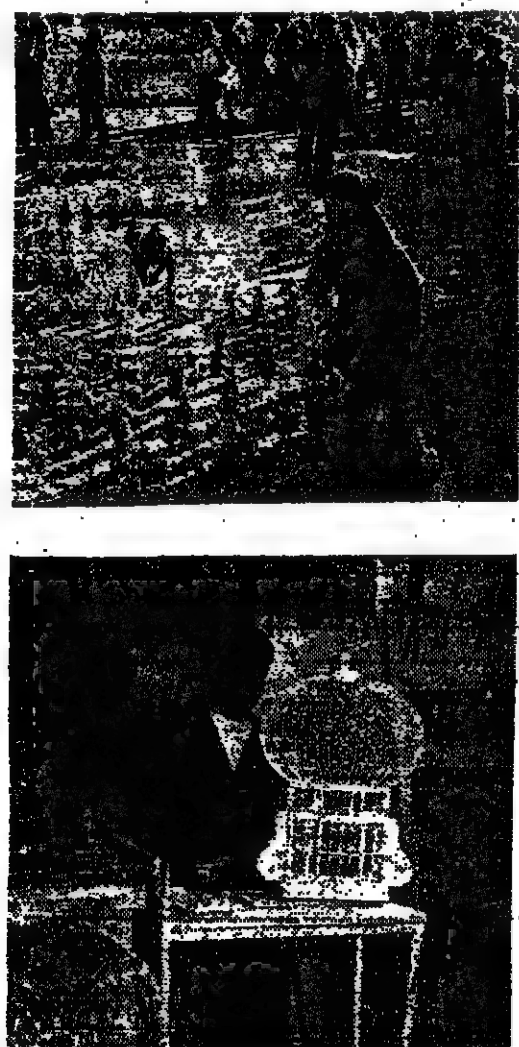
by the fourfold increase in oil prices. It has also provided assistance to newly independent African countries. At the end of 1976, though, the capital stocks of ABEDA and SAAFA were merged. At that time \$308.5m had been disbursed to African states from SAAFA. (Table E.)

Loans disbursed by ABEDA reached a lower total in 1976 than in the previous year. (\$62m as opposed to \$81.6m.) The agency has explained this by the fact that technical facilities were created in 1976 for independent project identification and study to deal not only with the technical implications of joint financing but to equal measure and more particularly, for those in which the agency was to be the sole source of finance—or at least the leading partner.

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Loans approved by ABEDA up to 31 December 1976

Beneficiary Country	Project	Economic sector	Date of approval	Date of Value in Period of Arab countries (in million U.S. dollars) (1976-77)	U.S. dollars	Africa Development Fund contribution in million U.S. dollars
<b>WEST AFRICA</b>						
Benin	Grinding plant at Cotonou to process imported clinker for cement production	Industry	29.11.75	20.10.76	8	25 years
Benin	Feasibility study for Cotonou Port development	Transport	2.11.76		1	25 years
Cameroun	Improving the port of Douala	Transport	29.11.75		10	25 years
Gambia	Agriculture and Livestock development programme	Agriculture and rural development	23.3.76	26.7.76	3.3	25 years
Ghana	Revitalization of the Cocoa plantation of The Ashanti region	Agriculture	29.11.75	27.6.76	5	25 years
Upper Volta	Construction of a railway line "Tombouctou-Dougoudougou"	Infrastructure	29.11.75		10	25 years
Upper Volta	Bottomland development programme	Agriculture	23.6.76	4.9.76	4.5	25 years
Mali	Seliouga Dam	River transport, fishery and power	23.3.76	18.10.76	15	25 years
Niger	Highway	Infrastructure	29.11.75	26.10.76	7	25 years
Sierra Leone	Electric power station	Power	23.3.76		5	25 years
Senegal	Livestock development Rural development	Rural development	29.11.75	19.4.76	1.6	25 years
Togo	Chankar grinding factory "CIMAO"	Industry	29.11.75		10	15 years
<b>GRAND TOTAL FOR WEST AFRICA</b>						63.1
<b>EAST AFRICA</b>						
Burundi	Phase I of Bujumbura Sewerage and rain water drainage	Infrastructure	23.6.76		4	25 years
Kenya	Integrated Agricultural Development programme	Agriculture and infrastructure	23.3.76	15.9.76	5	25 years
Madagascar	Construction and improvement of Highway Road	Infrastructure	29.11.75	29.6.76	5	25 years
Mauritius	"Quatre Sœurs" Hydro-electric plant	Hydro-electric power	23.6.76		10	15 years
Rwanda	Rural development	Agriculture	23.6.76		5	25 years
Tanzania	Extension of Maize Production	Agriculture	29.11.75	10.4.76	5	20 years
Zambia	Construction of "Nobis-Kilve" Highway	Infrastructure	23.3.76		10	25 years
<b>GRAND TOTAL FOR EAST AFRICA</b>						10.6
<b>CENTRAL AFRICA</b>						
Congo	Renewal of Railway line (Congo-Ocean)	Infrastructure	29.11.75	6.5.76	10	25 years
Zaire	Providing water supply to six major cities	Infrastructure	29.11.75	3.5.76	10	25 years
<b>GRAND TOTAL FOR CENTRAL AFRICA</b>						6.2
<b>MULTI-NATIONAL PURPOSE</b>						
Panama	Seminar on satellite broadcasting	Telecommunications	23.6.76	18.5.76	0.1	Arab Fund for Economic and Social Development
<b>THE AGGREGATE OF CONTRIBUTION OF ABEDA, KFAED AND ARAB FUNDS CO-FINANCING UP TO 31 DECEMBER 1976</b>						143.6
						106.15



Market scenes in Tunisia—a Special Arab Assistance Fund for Africa was established in 1974





Vaccinating children in the Yemen Arab Republic; picture by Save the Children Fund

## Social services — priority battle

The Arab world is peculiarly aware of the role of social services, from health and welfare to all the various grades of educational facilities, play in the development of the modern state. But with so much needing to be done in such a few short years to catch up, albeit in some cases with the aid of oil revenues, with the backlog of industrialisation and the expansion particularly of agriculture, the provision of social services has met strong competition in the battle of priorities.

It is surprising that even in less affluent Arab countries so much has already been achieved in the social services sector, even when the vast individual grants, such as those from Saudi Arabia and some of the Gulf states, are taken into account.

The improvement of social services can even exacerbate other problems. Egypt, with a 25 year head start, has been turning out an educated elite in considerable numbers which to some extent has compounded the difficulties of its employment problems. In March this year there were some 3,500 health units operating throughout the country with a preponderance in country areas—could well be having a significant effect on the already declining infant mortality rate.

In some ways the improvement of social services fits squarely with the ideals of Arab culture. But the development of education to adopt and adapt to the scientific and technological culture of the West has not been such a simple matter.

Capitalising on oil wealth is one thing. Badly injured Islamic culture is another. The need to learn foreign languages, predominantly English, to master the textbooks that bring control of the new technologies also gives access to all the superficial products of a different, western culture, to all the ephemeral fads and fashions of the west.

The western visitor to an

Arab country can easily appreciate just one strength of Muslim culture—it is far safer, and a friendlier business, to walk the streets of virtually any Arab city at an evening than almost any in the West. But for the Muslim, education's goal has traditionally been the schooling of the young in the ways of Islam.

Hopefully this will not be lost. But traditional attitudes, like those rooted in the rote learning traditional for years because of the association with the universal study of the Koran, have changed. The education of women, once frowned upon and almost non-existent, is now a main plank of government policies.

Arabs can now afford to smile at the excessive inflexibilities of the past. Until seven years ago, for instance, the Sultanate of Oman had for 15 years remained isolated and undeveloped. Since Sultan Qabus succeeded his father in 1970 the rate of change in Oman has been fast.

Each Arab country displays individual characteristics in the way its social services were being developed. But where some, like Egypt or the Lebanon, have to an extent had an infrastructure for years, others were faced with a tremendous backlog that must be made up in starting many services from scratch.

In some ways the biggest problems face those Arab states which because of their oil wealth are naturally earmarked to play a major role in the development of the Arab world. The sheer scale of the social services programme in a country like Saudi Arabia, for instance, can raise major questions like a too-great fueling of inflation or making the best use of a limited Saudi working population given all the development that must be done in so short a time.

Manpower development, which includes vocational training as well as education to university level, together with social and health affairs is accounting for some 20 per cent of the Saudi budget

in 1977-78. There has been an appreciable rise in social and health spending since the previous year and will reach some Rials 6,653m (about £1,023.5m). But the big jump has been in manpower development which at 15,855m (some £2,440.7m) this year is about a 40 per cent increase on the previous year.

The improvement in services is, of course, striking. In two years to 1976 the number of hospitals rose from 54 to 62, and the number of doctors and nurses including midwives both almost doubled in the same period. On the educational side in 1975, compared with the previous year, the number of post-primary students rose 17.5 per cent and those in higher education by 28 per cent. The improvement in adult literacy was particularly noteworthy with an overall increase of rather more than 40 per cent in the year but with the number of literate females leaping from 9,414 to 24,622.

The expansion in education has been enormous since the 1950s when most education was rudimentary, when a handful of higher education establishments were doing their best to lay the foundations of a new administrative class in the society and girls' schools simply did not exist. There are now some 600,000 boys in school and around 400,000 girls.

Providing the practical facilities for virtually an entire generation almost overnight has been a big enough problem. What is less easy of solution is providing in sufficient numbers the staff of skilled and sympathetic teachers. In Riyadh, for instance, some 60 per cent of primary school teachers are Saudis, but most secondary schools are run by foreign teachers, largely from other Arab countries such as Jordan and Egypt but with some westerners.

Nevertheless the basic structure is there on which to build, with such institutions as Riyadh University now about to be joined by

a new women's university where the first departments should be operating next year. A Modern Institute of Public Administration has with success been meeting the needs of the expanding Civil Service in Saudi Arabia.

Equal medical care was a Muslim ideal that King Abdul-Aziz pursued from the time 50 years ago that he united Hijaz and Nejd to create the kingdom of Saudi Arabia. His descendants, King Faisal and now King Khalid, have brought the ideal near to reality, although this is not easy where one in 10 of the population still belongs to a nomadic community.

There is again the problem of manpower shortage, although foreign physicians play an important role in providing specialist services and more Saudis are graduating as well as qualifying in postgraduate work in centres abroad. Three new medical schools planned to open in the current five-year economic development programme should make a major contribution to solving the medical manpower shortage.

On the other hand Saudi Arabia has what is probably the most modern specialist hospital in the world, King Abdul-Aziz City Hospital in Riyadh. It was opened two years ago, a fitting memorial to the man who approved its construction.

The whole complex is highly computerised for tasks as diverse as diagnosis, treatment and administration. The accommodation for 250 patients is to be expanded to provide beds for another 450. There are 1,200 staff, many with flats and villas on the site which, with its own power station, actually resembles a miniature city.

At a cost of some £100m the Saudis have a specialist hospital so advanced that some of its subsequent progress in medical technology has benefited specialist medical centres in the United States and Britain.

In such an establishment doctors and specialists can

work at the frontiers of knowledge. In their own specialties and the country has in a generation attempted to leap from the Middle Ages into the present, highly technological world.

The medical city project has shown that buying in the most advanced labour-saving techniques—largely computerised—in the case of the medical city—can reduce to a minimum the effects of a shortage of skilled people. Another effect of providing such a grade of facilities, which naturally attract the most innovative practitioners, is the way it helps to bring other groups elsewhere, simply because targets can be seen to be higher.

Kuwait, has one of the longest records for social welfare. It was one of the first oil states to set up a welfare state structure, offering free education, medical services and other social benefits to the native Kuwaitis.

The government's new plan, taking the country to 1981, is on a major scale, with a total spending from all sources, including the private sector, of KWD 4,412m (about £8,700m) over a period of five years. Slightly over 30 per cent of the spending is on providing additional housing, but education and training account for rather more than 9 per cent of spending.

Many of Kuwait's existing state hospitals and clinics date back to the first boom period of the 1950s. But the infrastructure is able to cope with more than doubled in a little over 10 years and the number of outpatients attending clinics wear up throughput around the country's Health Ministry is now about midway in putting through a three-year development plan that will eventually provide five hospital beds per 1,000 population. The new £170m programme will add four major city hospitals and some 3,500 beds to Kuwait's range of medical facilities, some of the beds being replacements

for older, outdated units. With some 300 more doctors, together with another 2,000 nurses, needed to staff the new facilities, Kuwait is for the time being looking outside the country for help both in providing numbers having already been provided through to secondary level.

Replacements as well as the creation of new facilities is a feature also of the educational system. Total expenditure on education has risen from 14 per cent of total government expenditure in 1975 to today's 24 per cent. There are plans to build 182 new schools and train an additional 4,000 teachers.

It compares with the present system of 300 schools staffed by some 8,000 teachers and handling around 250,000 pupils. Expenditure account for some 10 per cent of the student intake, the largest single group being Palestinians. At Kuwait University expenditures also get as good a chance, this year there being some 40 per cent among the 7,000 or so enrolments for degree courses.

The University, which already has a major medical training school, has recently added an engineering faculty. This is a high proportion of female students. Many Kuwaiti males still go abroad for their education.

The measure of Kuwait's progress in the sphere of education is that the illiteracy rate among youngsters at 14 is less than 9 per cent. Among older people the rate is around 48 per cent. An increasing effort is being made to wipe out adult illiteracy, the number of students attending the many special classes throughout the country has now risen to 26,000 or more.

Although Kuwait has the highest per capita income of any country, the government still helps some families with cash payments and concentrates on closing the gap in the treatment in welfare and terms of Kuwaitis and expatriates. A social security scheme is being worked out in detail would eventually benefit non-Kuwaitis.

Iraq's oil wealth could be second only to that of Saudi Arabia, but its economic progress has been slower. In the social services it is assured. But in the country's great leap forward there have inevitably been bottlenecks in the field of infrastructure. The ability to cope with more than doubled in a little over 10 years and the number of outpatients attending clinics wear up throughput around the country's Health Ministry is now about midway in putting through a three-year development plan that will eventually provide five hospital beds per 1,000 population. The new £170m programme will add four major city hospitals and some 3,500 beds to Kuwait's range of medical facilities, some of the beds being replacements

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1976-80 Plan, has mounted a campaign to enlarge its educational facilities at all levels. This has been additional to considerable progress, already achieved in education, free schooling having already been provided through to secondary level.

Educational facilities had been improved both quantitatively and qualitatively, six years of primary schooling having been made compulsory to try to start the eradication of illiteracy. Under the latest Plan the Ministry of Education has been allocated a massive \$125,000m with the aim of reducing illiteracy among males from 37 per cent to 13 per cent and among females from 71 per cent to 45 per cent.

Projects have included 700 primary schools of a simple, low-cost construction covering every area of the country and vocational training centres for different branches of industry, including enlargements of existing facilities. Before the launching of the new Plan the government had been placing more emphasis on providing training colleges and secondary vocational training and in this respect Iraq had already been ahead of many Arab countries.

Other projects included an \$8m extension to Basra University and \$36m for the New Baghdad University. This was also a major University of Technology project.

With comprehensive medical care for all a long-time aim of Iraq's hospital building programme, has been under way for some years. Nearly 40 new public hospitals have raised the number of available beds by well over a third and an increasing number of rural health centres, regional clinics and mobile health teams have been provided.

In 1975 alone four large provincial hospitals costing some \$27m were completed, and the second stage of the medical city at Baghdad was started soon afterwards. The medical city provides a wide range of facilities, many highly specialized including clinics, hospitals, laboratories, lecture theatres and student and staff accommodation.

Another major health factor has been improvement in the supply of drinking water both to the towns and smaller communities in the countryside, involving nearly 90 new projects as well as enlargements to existing facilities.

The Lebanon is still wrestling with the problems left by its war-torn ordeal, with industrial reconstruction particularly swallowing up a considerable amount of its long-term depleted financial resources. But as far as the social services are concerned the Lebanon is rebuilding on what was already a good base.

The country has had probably the highest literacy rate in the Arab world, with only about 20 per cent of the population illiterate. Its major universities and teaching hospitals have turned out leaders in their field who have benefited other Arab nations as well as Lebanon itself.

The major educational effort comes from the private sector but the state has been taking on more of the

burden of spreading facilities through the land. Government expenditure on public health has been mounting but there is still a long way to go before free health care will be available to all.

But well before the war began an important advance was the introduction of a comprehensive social security scheme which covers sickness, maternity welfare, workers' indemnity, family allowances and accident compensation. Well over 25,000 companies were then registered with the fund.

Improvement of educational facilities along with other social services is, however, regarded as a major commitment in current economic planning. One partial answer to the population problem which is being pursued is the creation of new towns around Cairo and especially in the Suez canal zone where wartime damage also had to be dealt with. In Port Said, Ismailia and Suez as well as the restoration of some 50,000 housing units and the building of some 22,000 new ones, well over 200 schools have been rebuilt with a further 20 new ones constructed. More than 40 hospitals and some 400 government buildings have also been restored.

Work has started on a new university at Ismailia to act as the centre for a series of specialized university faculties serving the region. There will be particular concentration by students on oil exploration and the petrochemical industry, together with fisheries and other oceanographic work.

It will be appreciated from these few examples of the Arab world's approach to the problems of funding and providing an ever widening range of social services that although there is the constant threat of concern for others and the securing of a country's future the experience of such a country is to a great extent an individual one.

Nevertheless whether it is a liberal economy like that of the Lebanon or one with tight central planning such as Iraq, whether it is an oil-rich state or one which is struggling, there is always the instance of the highest practicable priority for education, health and welfare.

Even the Sudan, with immense development problems to drain its exchequer, is wrestling strongly to improve its social services. A number of welfare state provisions already been made, including a minimum wage, state pensions, free education and medical services and food and housing subsidies. In the six-year plan to 1983 the government has allocated \$510m to education generally of which \$35m will go to the provision of more higher education facilities, now nominated a development priority.

This insistence, even in difficult circumstances, on providing as high a level of social services as possible, shows a striking characteristic of Arab countries, shared by nations as well as Lebanon itself.

The major educational effort comes from the private sector but the state has been taking on more of the

## Islam — a guide for the future

Continued from page 1

sophia, a sharp contrast to the suppression that the spread of liberal thought was receiving at the hands of the Church in Christian lands. The wide availability of outside thought inevitably benefited much discussion and debate within Islam, which a new generation of Muslim philosophers attempted to define in the logical terms of the Greek tradition. Spent became one of the principal areas of cultural interchange under the remnants of the Umayyad caliphate. The splendid court at Cordoba became a haven for men of learning, as did that at Baghdad. Muslim medicine, greatly influenced by such men as Galen, began to break around that in Europe were to remain unknown for centuries to come. Great advances were made in the realms of astronomy, mathematics, chemistry and physics. Astronomy benefited mainly from Indian and Persian knowledge, played a large part in the organisation of the Muslim lunar calendar, the calculation of the times for ritual prayer and of course in navigation across the vast areas of both sea and desert which the Muslim empire controlled. Islamic science has left a huge legacy in Europe where it is apparent in such Arab words as algebra, Algorism, alchemy, almanac and almanach which are in common use today. It is also largely thanks to Muslim scholars that we have been able to inherit so much of Greek thought. Such men as al-Kindi, al-Biruni, Ibn Rushd (Averroes) and Ibn Sina (Avicenna) played a more important role in the development of European thought and philosophy than is commonly acknowledged. Jurisprudence too began to emerge in a more coherent form and finally, crystallised into the four law "schools" which still exist today. Though each differs slightly on certain points (of law) they are able to exist simultaneously. Nevertheless the four schools have, over

the years, tended to become regionalised so that the more traditional Hanbalites, for instance, are favoured in the Hijaz peninsula whilst the Shafites are more important in Syria, East Africa and Egypt, and so on.

The Abbasid state was only in effective control of the whole Muslim empire for short while; in Spain the Umayyads were able to exist quite autonomously and later in Egypt the Shiite Fatimid dynasty was able to declare its independence from Baghdad. In Persia several local dynasties emerged and flourished, heralding a renaissance throughout the tenth and eleventh centuries of the older Persian language and culture, though of course in a much altered and Arabised form. It was at this time that the Turks first started to play a part in the history of Islam.

Baghdad eventually fell to the Turkish invaders between 1055 and 1063, and the state came thereafter under their direct control, though the Caliphate was allowed to remain an institution and was recognised by the Sultan. Strangely enough, it was the arrival of the Turks which stimulated a revitalisation of orthodox or "Sunni" Islam. The new converts, fired with enthusiasm for their new faith, embarked upon a further campaign of expansion at a time when the Abbasids had reached a very weak and static position: indeed the Fatimids were crushed by Salah al-Din in 1177, only just in time for the Shiite dynasty was preparing to invade its Arabid neighbour.

Saladin established a new dynasty, the Ayyubids, in Egypt with control of Palestine and Syria. It lasted until the thirteenth century when it came under the control of its own military slave class, the Mamluks, who were destined to preserve the "older order" Arabo-Islamic culture from the waves of Mongol invasions which were devastating much of the rest of Islam at this time. Eventually the Mongols adopted

Islam, and Islamic civilisation began to re-emerge in Iran, Afghanistan and in Turkey where the Ottomans, having finally captured Constantinople in 1453, founded what was to become the greatest of the Islamic empires. The Ottomans, at the beginning of the sixteenth century, endured as the primary power in the Middle East until the First World War.

By this stage, the Arabs had, as an ethnic group, long ceased to play the dominant role in the government of the Islamic State. The Mamluks were mostly of Balkan origin and their administration was run by a hierarchy of Coptic clerics and officials.

Elsewhere the Turks controlled the state with much of the administration in the hands of non-Arabs. Nevertheless, the essentially Arab principles of Islam continued to play the central role in almost every aspect of life. Although Islam was now a gathering of many different ethnic groups, the idea of the "Umma" remained—Islam was the one faith which united all Muslims from India to Morocco.

Under the Ottomans, Islam became increasingly involved with Europe: the crusaders had left their mark but it was not until much later that European influence began to be felt in depth. With the re-emergence of Europe as a powerful and aggressive force in the sixteenth century Islam under the Ottomans was forced gradually to give ground.

After the collapse of Arabian Spain the Christians had pursued their Muslim adversaries across the Straits of Gibraltar and had established posts in North Africa. By the late sixteenth century the Portuguese and then the British were taking an increasing interest in the Indian ocean, hitherto the domain of the Arab trader alone. Though the Muslim and Ottoman empires remained inoperative, Europe was becoming politically,

economically and militarily more powerful, culminating in the eventual British occupation of India and the invasion of Egypt by Napoleon.

This period is marked by increasing European economic and political influence in the Middle Eastern affairs. Though remaining formally independent, the various Muslim states fell ever more under the direct control of the European powers. In North Africa the French established a large Muslim empire whilst the British extended their influence into the Gulf area and Iraq.

Many Muslims observed this inexorable European advance with grave concern and saw as the only remedy the adoption of an accelerated programme of modernisation along European lines. Mohammad Ali, Viceroy of Egypt in the early nineteenth century, was convinced of this and introduced many reforms which, though perhaps suitable in a European context, were severely disliked by the Egyptian peasants whom they were supposed to benefit. In Turkey, attempts to reorganise the army were met with hostility by the traditional elements. Resentment grew both against European interference and against attempts at the Westernisation of Islamic society. This resentment found expression in such events as the Indian Mutiny, the rise of the Mahdi in the Sudan and the death of General Gordon at Khartoum in 1885. In North Africa, Abd el-Qader led a Jihad (holy war) against the French. Nevertheless, the Muslim world continued to suffer from an expansionist European foreign policy which culminated in the First World War and the subsequent European control of large areas of the Muslim heartlands—under French and British mandates.

Between the wars, the Anglo-French hold on the Middle East tightened with each country introducing its own policies. In the 1920s and 1930s, the British and French introduced a series of reforms designed to bring about a more modern and efficient administration. In the 1940s, the British and French introduced a series of reforms designed to bring about a more modern and efficient administration. In the 1940s, the British and French introduced a series of reforms designed to bring about a more modern and efficient administration.

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Continued from page III

Also it could be explained in that the agency has been more concerned with agricultural and rural development and, for the first time, projects for energy generating. These projects involve a great deal of feasibility studies before they can proceed.

ABEDA has been proud of the terms for its loans. They have ranged from between 2-4 per cent with a standard repayment of 25 years. With an average interest rate of 3 per cent and taking into account an inflation rate of 10 per cent, the grant element of these loans reached over 60 per cent. Perhaps even more interesting is that of the twenty African countries receiving aid from ABEDA in 1975 and 1976 only six of these countries have a per capita income greater than \$250.

The other Arab funds have been making towards Iraq in a similar way. The Abu Dhabi Fund for Arab Economic Development, for example, changed its mandate in 1974 to include non-Arab Third World countries. In 1976 Burundi, the Maldives Islands and Mal became direct beneficiaries of loans of Dh 4m (\$1,026m) Dh 5m (\$1,253m), and Dh 16m (\$4,15m) respectively. Indirectly Africa has benefited also through the UAE's participation in other regional organisations. Up to and December 1976, UAE had paid Dh 59.5m (\$15.27m) to ABEDA. Dh 208.4m (\$53.47m) to the Islamic Development Bank Dh 67.3m (\$17.40m) to the Arab Fund for Economic and Social Development, Dh 11.5m (\$3.05m) to the Arab Fund for Technical Assistance to Africa and Arab States, and Dh 158.4m (\$40.64m) to the Arab-African Oil Assistance Fund.

Though it is possible to chart the activities of other Arab aid agencies in Africa it is not necessary. The fundamental point has been

DISBURSEMENTS TO NON-ARAB AFRICAN COUNTRIES BY KFAED, FISCAL '75-'76

Country	Project	Date of Agreement	Amount (KED)	Interest (%)	Period (Years)	Grant (KED)
Comoros	Road Construction	1974/75	1.80	1.0	39	9.4
Guinea	Communications Development	1/6/76	2.76	4.0	18	2.4
Niger	Yam Growing & Processing	2/6/75	1.00	3.0	37	6.6
Tanzania	Mtanga Textile Factory	5/7/75	4.50	4.0	22	4.7
Uganda	Transport Development	30/6/75	5.75	2.5	25	4.6

Table B—Sectoral & Geographical Distribution of Loans

Country	Agriculture	Transport	Industry	Total (KED)
Comoros	1,800	2,800	1,500	6,100
Guinea	1,000	1,000	2,760	4,760
Niger	1,000	1,000	4,500	6,500
Tanzania	5,750	4,500	4,500	14,750
Uganda	5,750	4,500	4,500	14,750

Table C—Technical Assistance Grants

Country	Project	Amount (KED)
Chad	Expansion of Electric Power	236,000
Comoros	Preparation of Development Plans	100,000
Guinea	The Bole-Dubutla Road	150,000
Guinea-Bissau	Boat Port & Bunkhouse Repair	200,000
Mal	Expansion of Electric Power	200,000
Seychelles	Oil & Soap Factory	200,000
Singap	Fishing Ports Development	200,000
Uganda	Water Industry & Electric Power Development	225,000

Source: KFAED Annual Report.

made. It is somewhat astonishing, perhaps, that countries which still display many signs of underdevelopment are such a major force among the world's financial and technical aid agencies. It is not so difficult to understand, however, if one considers the major African countries with the elements important for the development: the first is that the oil-exporting countries say, "One good turn deserves of the Middle East are another."

The information on these pages has been prepared and paid for by the Arab League, Cairo.





A sale of "Harrier" vertical-take-off fighters, to China, would involve a number of complex decisions. That the time for decisions is approaching or may even have arrived seems reasonably clear. The Chinese have been interested for some time, but now they look like serious customers. They gave this impression to a British industrial delegation, visiting Peking last month, and shortly afterwards a high-level Chinese delegation, led by Mr Li Chiang, Minister of Foreign Trade, flew

On fairly advanced ground services. Even the Americans have had trouble with it. But if the Chinese can be persuaded that these problems are surmountable there seems no reason why they should not move towards definite negotiations.

How should Britain respond? In the Commons on Tuesday, Mr Welbeloved, Under-Secretary of State for Defence, for the Royal Air Force, tried to give the impression that the whole matter was still somewhat hypothetical. The Chinese had made no formal

The other main problem is political. The Russians have made it very clear that they dislike the whole idea intensely. Only a few days ago Moscow radio said that "arms sales to China could jeopardize both the process of international relaxation and the improving atmosphere of trust in Europe. . . . It would display a shortsighted attitude and be very heavy if responsibility on Britain if Britain were to take part in modernizing China's armed forces to support the dangerous schemes of Peking's leaders."

Nato exists western alliance a military Soviet Union easier if the forced to show for the milit China. A British China's defense therefore also arm, and a fine ally. The Barrier encouraged to the terms are western security not impaired.

There is a widespread belief in this country that many people receiving social security payments are scrounging off the state. There are in fact two different kinds of accusation, though the critics often do not distinguish carefully between them. One is the accusation of deliberate fraud, by which payments are obtained through false statements, which is a criminal offence. The other is a more subtle abuse of the system that stops short of fraud but leads to money being obtained from the state because the person concerned has made no serious effort to provide for himself. It is still a criminal offence but it is still a damnable practice because, like fraud, it leads to the waste of public money, it undermines respect both for the social security system and for the vast majority of beneficiaries who are getting payments honestly, and it provokes justifiable resentment that some people should be helped who are not truly in need.

Is it? Mr Orme is satisfied that the amount of undetected fraud is now under control and is relatively small. It follows that after the steep and progressive rise in the level of prosecutions for fraud in recent years he would be surprised if there were to be a further significant increase from this year's figures. Whether either of these assumptions is justified can be tested only by experience. It is notoriously difficult to be sure that such an offence as fraud, which now is successful only because undetected, has indeed been brought under control. But in the meantime the wise course would be to give a full chance to the present measures without rushing to create new criminal offences—especially when a new offence against collusive employers, the specific example to which the report

bottom and of the man can earn more in work than security.

It would also abuses if the Benefits Commission system of discretion were to be so breeds anomalies there is no even applied uniformly geographical areas is also bound to claimant. The while simplifies it possible to savings in that not compensate increases in be assumed be were not to b phasing out d ments.

A balance b between the m from eradica abuse and th to society fro the cost of sa reason, it is

The report of an inter-departmental committee, that the Minister for Social Security, Mr. Stanley Orme, published yesterday is evidence of the attention that the Government are devoting to the problem. That is true both of the substance of the report, specifying the many important steps in the procedure to detect and deter fraud, and of the Minister's welcome decision to publish the document rather than to allow it to remain a confidential working paper within the confines of government departments. He is wary of the danger of instituting a witch hunt, but in order to strike a

From Mr. A. J. L. Barnes  
Sir, I am writing, as Chairman of  
an Education Committee which  
has been independent  
to say that I think it is about time  
some of the educational euphoria  
about the Rate Support Grant  
settlement was dissipated a little  
in mind both the Department of  
Education and Science press release  
and the ecstatic comments from the  
National Association of School-  
masters spokesman.

It is about time that central Government looked not only at the global total of the serious labour at the effects of its distribution, and Mrs Williams would do well to stop talking in public as if she is not aware of the real situation (which of course she is). She must be well aware that more on education means less elsewhere and must also realize that more in London can mean a real decline elsewhere.

Let me spell out the position as at present it looks as if it might turn out in Kent, particularly if we are responsible and adhere to government guidelines. The first stress that I have lost grant as an authority for four years now and that Kent County Council in terms of 1977 prices has lost over £25 millions to date and may lose this year some £60 millions this year. For education this has meant well over £6 millions cut (1977 prices) so far, and at government guideline level will seem to face further cuts of £8 million next year, will amount to nearly £35 millions. One can hardly restore past cuts when facing new cuts, much less get back on course.

But mainly, since for obvious reasons it seems harder to be understood, that growth in terms of a government guideline can actually mean a loss on the ground, since increments, growth in numbers and the consequences.

We can corroborate these points from a small pilot survey which the Community Council of Shropshire undertook amongst some of the main voluntary organizations in the county two years ago. These organizations gave a total of 10 of voluntary services they undertook, the estimated number of hours which this represented in the year and the cost sustained by the county council. For example, for instance, their taking people in their own cars in the course of voluntary social and community work activities and the cost which the volunteers incurred was £1,000 per annum.

We were amazed to realize that all this totalled—if volunteers were reimbursed at just 5p per mile (petrol was 73p per gallon when our survey was taken) 10 of volunteers was valued at 75p per hour—at over one million pounds a year, even in

information to go through the channels of the county council.

Being involved in voluntary organizations, I am directors of art projects put into an area when they have been cut, or theatrical costs services in trust is sustained by Over many years of support from leagues and I represent with many friends stretching the situation could be in the present continue. The remuneration is covered.

Let Lord Croom's "swell in the pocket."

Yours faithfully,  
IAN HUNTER,  
134 Wigmore Street  
December 6.

approach, he said, but if they did Britain would "consider all the factors, including the economic and political ones". In fact there must have been a good deal of consideration already. Certainly there ought to have been, as the subject is scarcely new. Indeed, as Mr. MacFarquhar suggested in questioning Mr Wellbeloved, there have been rumours that Sir Harold Wilson promised the Russians in 1975 that he would not sell Harriers to China. So what are the possible objections?

Firstly there is the Cocom procedure by which a committee of the western alliance tries to decide what goods should not be sold to communist countries for security reasons. Probably the Harrier would scrape through. In Chinese hands it would pose no discernible threat to the security of the West. Some of the more sophisticated techniques but they go little beyond the state of general knowledge shared by the Russians, who are working on a similar machine. There is a specific American interest in so far as McDonnell Douglas is involved in manufacturing the Harrier in the United States though its version is somewhat different. Serious considerations must be taken seriously but they need not prove insurmountable.

The other main problem is political. The Russians have made it very clear that they dislike the whole idea intensely. Only a few days ago Moscow radio said that "arms sales to China could jeopardize both the process of international relaxation and the improving atmosphere of trust in Europe. . . . It could display a shortsighted attitude and place a heavy responsibility on Britain if Britain were to take part in modernizing China's armed forces to support the dangerous schemes of Peking's leaders."

The radio said that the Labour government seemed to realize this but that Conservatives were banking on selling the Harrier, and that China's talks with "West European Rightists" had produced what amounted to a secret agreement to establish a strategic alliance with Britain.

Perhaps the Russians did feel they had some sort of assurance from Sir Harold Wilson but there is no publicly known reason why this should constrain the present Government. The question now is whether the

possible damage to Anglo-Soviet relations would outweigh the advantages if the sale went through. On present evidence it would not. The Barrier is short-lived, mainly a defensive weapon which would pose no fundamental threat to Soviet security. Therefore Soviet complaints do not deserve any special consideration. They may be inconvenient and troublesome but they do not derive from real interests which the West needs to take into account. They are not arguments against the policies designed to avert a Sino-Soviet

There is every reason for the West to show a realistic respect for the vital interests of the Soviet Union but there is no reason why it should refrain from any action which causes the Soviet Union displeasure. Nato exists to defend the western world by maintaining a military balance with the Soviet Union. Its task is made easier if the Soviet Union is forced to show decent respect for the military strength of China. A British contribution to China's defensive capability is therefore also a contribution to Nato, and a financially profitable one as well. If the Chinese want the East to buy it, they should be encouraged to buy it provided the terms are right and provided western security interests are not impaired.

From: Mr. David Howell, MP for  
Guildford (Conservative).

Sir, The Easy Report on the Crown  
Agents is critical of the role played  
by the Crown Agents in the  
Audit Department under the Comptroller  
and Auditor General.

I have long held the view that  
the auditing functions of the state  
should be a greatly strengthened  
and more independent  
of the executive which they are  
intended to scrutinise, should be  
widened to permit deeper inquiries  
into the expenditure of the Government  
as they unfold, better organized to  
provide Parliament with up-to-date  
and comprehensive information  
and made, transit, more open to  
public scrutiny.

Committees both for information  
and for specialist staff to be de-  
scribed to outside in Parliamentary  
discussions of various  
penditures.

It is interesting and depressing to note that while proposals of this kind have been persistently mooted in the Ministry of Finance, the Government Comptroller General of the United States of America, Mr Elmer Sears, has built up the General Accounting Office in Washington over the past 12 years very much on these lines.

Whatever else emerges from the report of the Commission on Inquiry, we hope that it at least gives ministers, civil servants and members of Parliament the determination to change the system by which a vast (much too vast) and complex administrative machine is run. It is a system of anachronisms and Auditor General Darwin next time from outside the Civil Service would be an excellent step in the new directions now required.

Yours faithfully,  
DAVID HOWELL,  
House of Commons.

From Professor P. M. C. Lacey  
Sir, Once again there is discussion about what to do with the oil revenues; on the one hand it is urged that they be invested "in industry" and on the other that they can be used to alleviate undernourishment to "the workers".

But can we for one moment contemplate using this transient windfall for anything other than reliefment of the emergency situation which has arisen to replace the oil and to replace the feedstocks to the chemical industry? We seem already able to afford all that is necessary to develop much-needed energy in our country; doubtless, surely it can hardly be doubted that the appropriate places to spend the oil revenues is on the replacement sources (alternative energy) and the increasing need for conversion to oil for chemicals as well as for fuel for transport.

Yours faithfully,  
P. M. C. LACEY,  
Department of Chemical  
Engineering,  
University of Exeter,  
North Park Road, Exeter.

From the Reverend Graham Dowell: "Sir, in your excellent editorial ('A Message Half Heard' December 1), you extolled Dr Fritz Schumacher's campaign against gigantism and his search for an appropriate or "adequate" technology to deal with the problems of poverty, alienation and world shortages of food and non-renewable resources. You also pointed out that he was not opposed to size as such; only the pursuit of size for its own sake is

In this, a profoundly Christian insight, enscured in the very doctrine of Incarnation which has been under recent attack? As Dr Rowan Williams observes (December 3), the identification of God with man in his weakness and death, hence the human condition, is the response to the universal condition. Hence the human appeal of the crib, the carol and the Christmas story. Medieval writers revelled in the paradox of "Eternity narrowed in a span".

The dangers of sentimentalizing, if we forget the other side of the paradox, that the particulate Child is also the Cosmic Word, spoken to man in his wisdom, strength and

competence as well as in his blindness, stress, frustration and finitude. Schuon's basic principle of theology is that "emulation is the last book of *Guides for the Perplexed*," and is therefore irrelevant: "The understanding of the knower must be adequate to the thing known." It is not, as we have found insights of incarnation in, we do not hold together the image of the Child in his weakness and the image of the Lord in his glory. Evelyn Underhill's *Immanence*—"I come in the little things, Saith the Lord"—must be balanced by Alice Meynell's Christ in the unknown, "For our little world is his device, with the heavens he guessed." It was part of Schuon'smacher's intensely Christian vision that he maintained the balance.

would make him an excellent preparation for Christmas.  
Yours sincerely,  
GRAHAM DOWELL, Vicar,  
Hampstead Parish Church,  
Church Row, NW3.

**Ping pong diplomacy**  
*From Sir Leo Platizky*  
 Sir, After a lifetime of not writing letters to *The Times*, your diarist's account of my playing table tennis with Ian Buncroft at Sunningdale impels me to write to tell it how it was. A good deal of the report is authentic but, as in the case behind the recent stories of Whitehall events, the description of what actually happened and what I did what to whom is the opposite of what took place. Contrary to your prematch forecast, and your diarist's prediction, I did not win; nor was a return match been played or planned.

Yours faithfully,  
**LEO PLATIZKY,**  
 27 River Court,  
 Upper Ground, SE1.

From Professor John Rear

Sir, On the same day that I read your leader "Is a Bill of Rights any good?" I read the report of the speech made by the Hon. Mr. W. L. R. (895) and it made me wonder who, if such a Bill makes the judges the protectors of our liberties, will protect us from the judges. Here is as nice an example as you will find of the judiciary siding with a lawless and disorderly police while pretending to govern them.

Well, of course opinions will differ about what is oppressive or unlawful police action, but it is certain that the Lord Chief Justice himself had no illusions about what was really going on, since he said: "But it is perfectly clear that when they sought to enter his premises . . . they were not in the least bit concerned to ask the police whether their concern was something quite different, namely whether they would find drugs on the premises."

The case concerned powers of search. In the leading authority on the subject (*Ghani v. Jones* [1970] 1 QB 693) Lord Denning MR said that the police have a right to search a house to find out whether there are any persons who are not permitted police officers, or anyone else, to tamper with anyone's house, or to search for papers or articles therein, or to search his person; simply to see if he may have committed some crime or other offence. It is not necessary that they would be guilty of trespass." He also said that where the police enter a man's house and arrest him "for a serious offence" they may search his goods which they find in his possession or in his house which they reasonably believe to be material evidence in relation to the crime for which he is arrested or

In Jeffrey v Black, Black was arrested by two members of the police drug squad for offences at theft of a sandwich from a public house. Black was charged with theft in police officer's uniform. He was taken to the police station and charged with theft. Before briefing him the officers then informed Black that they were not going to press charges if they found him at home. They went there, searched, found some cannabis and charged him under the Misuse of Drugs Act 1971. Black did not consent to the search. The search was conducted by the Sweeney and Starsky and Hutch that the search and seizure rules are regularly violated. Nor is it necessary to have a high standard of officers or render law enforcement inefficient. But it is necessary to deter unlawful police conduct and to secure the integrity of the judicial process by punishing the police. It appears to sanction official lawlessness by allowing evidence to be used notwithstanding the manner of its seizure. A blanket exclusionary rule along the lines of the American rule would be a

The Divisional Court agreed with the magistrates that, applying the above principles, the search was unlawful and the officers trespassers. But the court went on to point out that it is "very easily established" under English law the material fact that evidence is obtained in "an irregular fashion" does not itself prevent the evidence from being validly laid before a court. The magistrates' error was in concluding that they should exclude the evidence about the cannabis being found if the police had "been guilty of trickery or they [had] misled someone, or they [had] behaved in a manner which is morally reprehensible" but in the view of the court the magistrates would not have been justified in excluding the evidence in this case.

*From the Director of the National Consumer Council*

Sir, You report (December 3) that the gas and electricity industries have rejected evidence sent to Mr Tony Benn by the National Consumer Council on cases where the

evidence will stand up to further investigation.

Nowhere in our evidence did we suggest that the cases reported were necessarily typical of the nation as a whole; indeed, we were at some pains to point out that we had not carried out a full national survey.

industries code of practice on this matter has apparently been contravened. There were cases where consumers in straitened circumstances had their gas or electricity cut off for non-payment of bills, without the prior investigation of their circumstances by the fuel board, which the code requires.

According to your report, the gas and electricity industries have denied that the code has been contravened and have suggested that this is a "true position" completely different from the picture painted by "incomplete histories" such as those quoted by the NCC.

It is for the boards to investigate more fully and decide whether these cases are a uniform minority — or just the tip of the iceberg. Whether typical or not, the fact that they occur should be a matter of concern to us all. It is, after all, no comfort to a lone mother of three, or a family with five children, to be told that one of only two, living in an icy house in which the electricity has been cut off (because the board did not realise that her bills were being paid by the Social Security office), to know that she is in a minority.

Yours,

**From Dr Barry Wylie**  
Sir, The many friends of Ghana in this country, particularly in academic circles, will welcome your publication of Mr Kenneth MacKenzie's article on the above topic in your issue of December 5. For in addition to the important cultural, scientific and commercial exchange between this country and Ghana, and of the many Ghanaian students being taught in United Kingdom institutions, it is all too rarely that factual accounts of the social and political life of the non-affiliated Ghana are sent to the British press.

Having several times in the past two years had the privilege of serving as a visiting Professor and external examiner in the University of Ghana, I can testify to the considerable pressure to which members of the medical profession (and of the medical profession in particular) have been subjected by numbers of less prominent members of the community (including some of their relatives) have "disappeared" and that their current fate remains unknown; needless to say, no one has chosen to ever be preferred against them nor have they been brought to trial, even after many months.

the Supreme Military Council. Admittedly, some of it may have been provoked by the activities of certain members of the professions and their students, but readers of Mr MacKenzie's article may not appreciate the full extent of the prolonged intimidation to which professions (as well as other) people have been exposed.

In particular, the statement attributed in the article to the Head

For those reasons, then, members of the academic and professional communities in Ghana deserve all the moral and practical support that their British colleagues can provide. I am, Sir, your obedient servant,  
BARRY WYKE,  
Director of the Neurological Unit,  
Royal College of Surgeons in  
Ghana,  
35-43 Lincoln's Inn Fields, WC2,  
December 5.

**From Mr. Peter Large:** "The Queen's jubilee year gifts on show to public" (November 30), suggests that the exhibition is freely open to everyone. This it not so as the notice for the exhibition explains: "Wheelchairs, prams, puschchairs, crutches, canes, and other aids to work and merely accentuate the disabilities of those who cannot work by making them unnecessarily dependent on others. The exhibition could and should have been held where disabled people could enter with no more let or hindrance than their non-disabled fellow citizens."

It is said that a national exhibition in the nation's capital to mark the end of a year of celebration and good will should involve this hint of discrimination. The site chosen superimposes an unnecessary handicap on the disabilities of some citizens and removes a small but treasured element of their freedom of choice and movement. The words "wheelchairs" and "dogs" may disguise the cruelty of those who do not need wheelchairs or guide dogs but heighten it for those who do.

I can told arrangements are being made to wheel chair-bound people to be carried up the steps to the exhibition on December 9 and 16, but to get this help they must give prior notice and arrive between 8:30 and 10:15 am. Again with prior notice, arrangements can be made to care for a blind person's guide dog. These are poor solutions to an avoidable problem. They involve

*From Mr Trevor Jones*  
Sir, The job of the councillor has become more and more impossible over recent years. As their numbers have been reduced so the bureaucracy has increased; producing more and more for which they are responsible and more and more which they are supposed to control. In this situation it is not surprising if the average councillor is not performing as well as could be expected or even as well as he would like.

Action is required to enable him to do better; and part of what is required is quite simply more money. Money to defray necessary expenses for transportation, telephone, stamps, visits to local organizations, petrol and other incidentals; money to recompense people for the loss of their leisure time; money to enable them to support their family lives; money to finance the purchase of books and periodicals; money to enable the part timer to complete the copy with the activities of full time effort; a more than full time decorator.

That is why the report of the Robinson Committee on the re-education of prisoners, on the support, and not the smug dismissal which you gave it in your leader today (December 2). All right, so it is possible to criticize the Committee. It is equally possible to slate their existing arrangements; and you also do that. But somebody where has to produce suggestions and proposals, and it is not acceptable to most of those concerned. And you don't even bother to attempt to do that. Responsible newspapers attempt to find solutions to problems, but your newspapers content themselves with finding problems to solutions. How sad to find *The Times* in this latter state

You should realize that failure to produce more money for councillors will merely mean that before many more years have passed democratic control of local government will be a complete fiction. If that's what you want so be it. It's not what I want.

Yours faithfully,  
**TREVOR JONES,**  
National Chairman,  
Association of Liberal Councillors,  
Syward Cottage,  
Syward Road,  
Dorchester, Dorset.

From Mr Rodrick Thomson  
Sir, Copperplate—the very word is non-calligraphic, yet Nicolette Grey (December 2) seems to suggest in her article on handwriting in schools that a return to this archaic style would be welcome. The smooth manipulation of burin through copper is one thing, writing with a pen on paper is quite another.

The excellence of mid and late nineteenth century pen work is illustrated by the one look at the engrossed documents and family letters of those eras, one finds many cases of really decorated copperplate forms and, in general, cramped and ungainly hands. The deterioration in clarity has slowly continued since the accession of Queen Victoria, abated at times by a few writing masters, and the schools of the 1880s and 1890s, such as those of Richardson, and the Italic Handwriting Society.

Obsessive bullying of primary school children by copperplate penmanship, the hated-dreaded writing (i.e. an all-through cursive style) has been one of the worst aspects of the teaching of handwriting in Britain, and it's still going on. Convoy times, the time of the war, and, at heart, engravers' forms, have been the chief result.

From Mr Ian K. Maconochie  
Sir, I read with surprise Bernard  
Levin's statement in his article on  
chess (November 21) that "it has  
never incurred ecclesiastical dis-  
pleasure", as not long before the  
end of the sixteenth century.  
Muslims, Roman Catholics, Jewish  
and Anglican religions had at one  
time or other forbidden the playing  
of the game.

Muslims have a reference to chess as being a form of idol worship in the Koran, though after the death of Mohammed's death, the decision was altered on condition that no exchange of money or improper language took place. Think of the situation of chess today if this were generally implemented!

Various ecclesiastical decrees, for example, those by the Worcester Synod in 1240, and in France by the Provincial Council of Beziers in 1255 were made after an argument between the Bishop of Ocia and the Bishop of Florence ended, with the result that the Bishop of Florence did consent for transcribing the Carpan Law

Knights Templar up until the  
fifteenth century were forbidden to  
play chess, and from the rules of  
the Apostolic Canon, at 1110 a monk in  
the Eastern Church wrote that the  
penalty for playing was excommuni-  
cation.  
So if chess be the eighth deadliest  
sin, I stand condemned!  
Yours faithfully,  
JAN K. MACONOCHE.  
97 Westgate Bay Avenue,  
Westgate-on-Sea, Kent.

*From Mr A. Hepner*  
Sir, I asked a rabbi (himself a keen  
player) whether it was sinful to  
play chess on Shabbat. He said  
that the way I played it was a sin  
to play any day of the week!  
Yours faithfully,  
A. HEPNER,  
Hendon Chess Club,  
7 Sunningfields Road, NW4







# Fashion

by Prudence Glynn



Left:

● The Gardner Centre Gallery at the University of Sussex, Falmer, Brighton (telephone 0273-685447) has an exhibition of ceramics and textiles until December 31. While potters have probably found their niche, textile makers find the public anxious to categorize, or functionalize—"well, it's a rug, though we put it on the wall"—their work. Poised halfway between the primitive civilisations which just rolled up the stuff and popped it on to a camel, or the walls, or the floor, or used textiles as practical draught excluders, designers in this area are suffering a crisis of identity. They should not. Central heating, or lack of it, are both mitigating factors against the hanging and pro the wall. Double glazing may be admirable but my, how dull compared with a smashing knit "picture" (categorizing again) by David Holbourne, ex-Camberwell College of Art, or a work of art to stop the draught whistling through the ungrooved floorboards, by Roger Oates. Are they rugs, or do you put them up as pictures? Both men assert that textiles should exist as art forms in their own right. "In America, people just say, 'we've made the piece' and you work out what it is for from there. Both say that one of the debil-

itating aspects of crafts, upon which my views are well known, is that they tend to be both nostalgic—"if it doesn't look as though it was (rather clumsily) hand made it doesn't sell"—while the whole future of the artist craftsman lies in melding a technical perfection to an existing art form—in other words carrying something forward, not just sticking with the corn-dollies and wagon wheels image of the crafts of the past.

Neither nostalgia nor privilege has any place in the living future of the artist-craftsman. But tradition dies hard. "If you can't say, well, it's a jacket really, even if you have got it hung over a screen, people are still suspicious." Yet fashion has come full circle. There are many beautiful dresses around today which you can wear, or you can throw over the sofa, or pin on the wall.

Our picture shows Sarah Soulsby with her asphyxiated synthetic yarn and dish-scoopers. ● The incomparable Bernard Nevill was Britain's hero at the recent Interstoff in Frankfurt where the rest of the British made, my spy tells me, a sorry showing (though not as bad as in Manchester, where Spy reported salesmen with hands in

braces soaring on the stands or treating the whole thing as a junket). Nevill, one of the most knocked-off of textile designers (see my story below) worked for 10 years for Liberty and brought them their Renaissance. He taught for 10 years at St Martin's and the RCA; and has lived to find himself "too expensive" for the British textile industry—do we have one? Honoured all over the world, he would like a much of recognition in the country from which he draws his inspiration and his love, his home and his moral certitude. Most woundingly to me, if not to him, he has been denied the proper recognition of his peers, no, mostly his inferiors I would say, in being denied the status of RDI, Royal Designer for Industry. One day I shall get round to writing about self-perpetuating and self-selecting bodies and the incest thereof.

The prettiest aspect of the new collection by Bernard Nevill for Canto of Italy is the powder pink—"dowager complexion pink" I call it—mixed with the soft blues, enchanting on very fine wool/cotton voile, and of course the sensational cotton velvets. The most important prior (copyists take note) is the feather.

In our picture it is the pheasant print coloured in any shades from vulture (exquisite greys, pink and scrawny-neck beige) to vivid blue and reds. Bernard Nevill always gives a

suggestion to manufacturers as to how his fabrics might be used: the big, batwing top balancing the tiny waisted, big thighed, tiny ankle silhouette—Poirot for 77, as the page has pointed out—is typical.

Below:

● A drawing by Anne Childs of the Fosseway House Workshops, Stow-on-the-Wold, telephone 0451 31049. Basically a textile designer, her ideas are equally applicable to single pictures, or wall paper, or wrapping paper, or tiles or fabric. Fosseway House shelters in romantic if spartan conditions, a group of young artist craftsmen of just the sort to recreate the proper "healthy dialogue" between customer and supplier. Instead of scrambling round your over-filled local store for Christmas presents, why not launch out and buy something unique, remarkably inexpensive, and of lasting worth and grace of form? At Fosseway House you could get beautiful cards from the prize maker, charming jewelry, a chiffon scarf, a chair, a table, a mirror, a picture, a painted clay ocarina which you have to blow very softly, all originals, or commission something from delightful, talented hardworking persons.



## Fur For Men At Harrods

From GROSVENOR CANADA a superb collection of fur coats for men from the new 'Grosvenor Gentleman' boutique in our Fur Rooms. Shown here: Double-breasted coat in Canadian Beaver £1595. Fur Rooms, First Floor, Personal shoppers only.

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### Fine words butter no parsnips

One of the earlier examples of knocking-off occurred around the year 500 when Columba, the guest of the Abbot Finnian, took a neat copy of a psalter while his guest in Ireland. Not amused or flattered by the imitation, Finnian sought judgment in Tara's halls. The king, who must have belonged to one of those immovable public bodies, delivered his judgment as "to every cow its calf, to every book its copy" which may sound all very far and fine in the halls of Tara, where maybe they were not insisting any very radical design ideas, but was simply rotten for poor old abbot Finnian.

The moral of the story is worse, though. The abbot has slipped into relative obscurity, but everyone, just everyone, has heard of St Columba and his uncomfortable monastery. So, do a knock-off and you get to be a saint.

This story was the funniest—and maybe most apposite—of those related by the speaker whom I found the most interesting at the SLAD conference

last week on copyright. As far as I can see, entry into the EEC has done little to strengthen the position of designers in protecting their work, so the admonition of Mr Wally Weston, a chartered patent agent, to "draw it, date it, and sign it" should be hoisted in by everyone.

Three acts of Parliament, and numerous statements of good intent, cover the law of copyright. The fact remains that he who can be first to be second usually scoops the monetary pool. So when you think that clothes which I show on this page cost a preposterous amount of money, please remember that they are likely to be prototypes, the inspiration of very rare and original designers whose work is going to be copied, whole sale—and that is the word, I am right in my choice. Is it not morally more reprehensible to always show the cheap copies which readers can find with their own eyes and never to give credit where credit originally lies?



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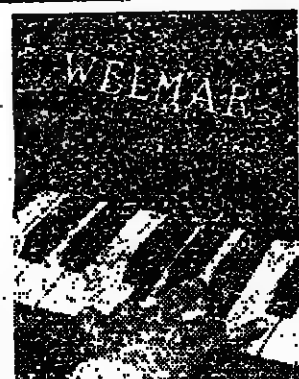
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Law Report December 7 1977

Court of Appeal

Queen's Bench Division

## Employees' right to buy shares

**Tyrer v Smart (Inspector of Taxes)**  
Before Lord Justice Buckley, Lord Justice Eveleigh and Sir John Pennycuik  
[Judgments delivered Dec 1]

A preferential right exercised by an employee to buy shares in his company when it went public at a price that turned out to be below the market price is not a taxable "emolument" from his employment.

The Court of Appeal so held in dismissing an appeal by the Crown from Mr Justice Brightman (The Times, July 24, 1976), who had allowed an appeal by the taxpayer, Mr Arthur Tyrer, against an additional assessment to income tax of £1,000 made on him by special commissioners in respect of an advantage accruing to him on the acquisition of the shares.

The Crown was granted leave to appeal to the House of Lords subject to giving undertakings as to the taxpayer's costs.

The taxpayer was employed by Rentold Ltd as a general manager when it became a public quoted company in 1968. Some 5,600,000 shares of 2s were put out to tender at a minimum price of 20s a share, but exceptionally 10 per cent of the shares were reserved for company employees to purchase at a fixed price of 20s. This was done to encourage employees to identify with the company and to induce loyalty. The taxpayer took advantage of the offer and acquired 5,000 shares for £5,000. When public dealing in the shares opened the following day, the shares traded at between 26s and 27s 6d. The shares were found to have a value of between 23s

and 24s on the day that the taxpayer acquired them.

Mr Patrick Medd, QC, and Mr Michael Nolan QC, for the Crown; Mr Holroyd Pearce for the taxpayer.

LORD JUSTICE BUCKLEY said that under Schedule E tax was payable from an employee on the emoluments from his employment. Paragraph 1 of Schedule 2 to the Finance Act, 1956, defined "emoluments" as including "all salaries, fees, wages, perquisites and profits whatsoever".

The Crown said that two questions had to be determined: (1) Was the advantage or benefit that accrued to the taxpayer a perquisite or profit within the schedule? (2) If so, did it arise from the taxpayer's employment? Really that was only a single question—whether the receipt or benefit had the quality of remuneration or reward for services.

Clearly it had to be accepted that the taxpayer's acceptance of the offer was beneficial to him. He could have realized a profit from the shares by selling them the following day. Did that benefit arise from his employment as a general manager of the company? The fact that he could not have acquired the shares at 20s each had he not been an employee was a matter to be taken into account, but it did not provide an answer.

An employer could confer a benefit on an employee which was not an emolument. Thus in *Hochstrasser v Mayes* [1960] AC 376, the House of Lords held that a housing scheme that was beneficial to an employee was not an emolument as it was not in the nature of a reward for services or

put another way, not in return for acting as an employee.

It was necessary to look at all the circumstances of the case, having regard to the substance and not the form, to see whether the right to acquire the shares arose from the taxpayer's office or employment. If it was a benefit in return for working for the company, the commissioners' conclusion would be justified. If it arose from some other cause, the benefit did not arise from the employment. The application for shares was not made by the taxpayer in his capacity as an employee; personal considerations as a private individual in making that decision applied.

The opportunity arose from the scheme to acquire shares at a preferential price. That scheme was evolved to encourage employees to become shareholders in the company and thus identify with the group. But the right to the shares arose not from the opportunity afforded by the scheme but from the taxpayer's decision to take advantage of it. Thus the benefit that accrued to the taxpayer was something that resulted from his decision and actions, not as an employee but as a private individual considering his own investment interests.

Mr Justice Brightman's decision was correct. The conclusion of the commissioners did not follow their findings of fact and must be reversed. The appeal should be dismissed.

Lord Justice Eveleigh and Sir John Pennycuik delivered concurring judgments.

The appeal was dismissed. Solicitors: Solicitor of Inland Revenue; Denton, Hall & Burgin.

## £243,000 for doctor, 41, a helpless invalid for life

**Linn v Camden and Islington Area Health Authority**  
Before Mr Justice Bristow

Record damages of £243,309 against a hospital authority were awarded to a woman psychiatrist who has become a helpless invalid for the rest of her life because of negligence during a minor operation. Her brain was permanently damaged.

His Lordship, giving judgment for the plaintiff, Dr Linn Poh Choo, aged 41, in an action against the defendants, Camden and Islington Area Health Authority, said that the court must do what it reasonably could to protect a plaintiff against inflation.

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The picture which emerged from the agreed medical reports was that of a helpless invalid who would require nursing for the rest of her life, and was only intermittently sentient. When she was sent to a nursing home, it was at a comparatively lower level, and though she sometimes remembered that she had been a doctor in England, she was so intellectually impaired that she did not appreciate what had happened to her.

That a doctor who had so much to offer to the mentally ill should be subjected to such a tragedy, and then to the appalling disability from which she was condemned to suffer was a very great tragedy.

But in justice to the hospital authority as well as to her, the sum awarded must be in proportion to awards in other cases to those who had suffered injuries of comparable severity.

structure in the National Health Service was such that she could have become a consultant psychiatrist by 1978, if not earlier.

After the operation, she was in a coma for two weeks; on regaining consciousness she did not talk and could not walk. She later recovered the ability to walk a little with help and to speak a few words. Some six months later she was assessed by a consultant neurologist as suffering from diffuse brain damage producing lack of coordination in all four limbs; she was depressed, withdrawn and having difficulty in speaking. Tests showed that her disabilities were purely organic in origin, due to the extensive brain damage caused by the cardiac arrest. In 1974 she was taken to Malaysia to be looked after by her mother.

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But in justice to the hospital authority as well as to her, the sum awarded must be in proportion to awards in other cases to those who had suffered injuries of comparable severity.

His Lordship bore in mind what was said in the authorities about the question of protecting plaintiffs against the consequences of future inflation, because damages had to be awarded once for all, here and now.

In *Taylor v O'Connor*, [1971] AC 115, Lord Pearson, in the House of Lords in 1970, commenting on the fact that Mr Justice Lyell in 1968 had increased the multiplier to a modest extent to shield the plaintiff against the effects of inflation, said, at p 142: "Certainly it is right to have regard to the prospect of continuing inflation as an important factor in the situation, but I do not think that a mere increase in the multiplier is a suitable method of protecting against inflation, though it achieves something. I think protection against inflation is to be sought by investment policy, and the lump sum of damages should be assessed on the basis that it will be invested with the aim of obtaining some capital appreciation to offset the probable rise in the cost of living."

In 1970 the rise of oil prices and the acceleration in wage demands were still in the future, and relatively stable money was the context in which Lord Pearson's words were uttered. But since then our world had dramatically changed. Inflation at rates approaching 30 per cent in a single year had been experienced. The Government was seen doing its best to reduce inflation, with success said to be dependent on trade unions being content with wage demands of the order of 10 per cent. Three years had been passed through in which investment advisers could hardly do

more than say: "If you take our advice you might, if all goes well, reduce the impact on you of the certain rise in the cost of living."

In those circumstances the court must do what it reasonably could to protect a plaintiff against inflation, and what the House of Lords thought it wrong for Mr Justice Lyell to do in the context of 1968 was right to do in 1977, when it could be seen more clearly where the world was going.

In assessing the appropriate damages, the first priority was the future care of Dr Linn. On this evidence, her mother, aged 71, would look after her at home in Malaysia for as long as she could. Thereafter, his Lordship found that the probability was that Dr Linn, who had a married sister in London, would come to England to be cared for in an institution.

The cost of caring for Dr Linn in Malaysia, his Lordship found, was about £2,500 a year. On the basis that she would be looked after for seven years by her mother, £18,000 would be awarded for the cost of care in Malaysia. When she came to England, Dr Linn would be 47. Her expectation of life would be in the order of a further 30 years, but there must be made in that figure a substantial discount because of the accelerated passage of time, and the fact that she would not reach

the average age, and some increase for prospective inflation. In all the circumstances the appropriate multiplier for the period of care in England was 11. On the evidence, the cost of that care was about £5,000 a year, giving a figure of £55,000 and so making a total for the cost of future care of £103,500.

Other sums awarded were for cost of Dr Linn's case to date (£5,000); out of pocket expenses (£2,366); loss of earnings to date (£14,212); loss of future earnings (£84,000); loss of pension rights (£3,000); pain, suffering, and loss of the amenities of life (£20,000); £13,500 in all.

The total award of £243,309 was high, but in his Lordship's view not disproportionately high when it was remembered that Dr Linn was only 41, there was no reason to suppose that her expectation of life would be reduced, and that she would need care for the rest of her days.

Judgment was given for £243,309 plus interest and costs for Dr Linn. Because of the size of the damages, his Lordship granted the hospital authority a stay in respect of £111,250 pending an appeal, and ordered the balance to be paid within a fortnight. It was quite clear, his Lordship said, that the award would be challenged.

Solicitors: Coward Chance, J. Tickle & Co.

Chancery Division

## Valuation of unrated agricultural land

**P. B. Frost Ltd v Green**  
Before Mr Justice Joffe

Judgment delivered Nov 24]

His Lordship held that although agricultural land was not liable to be rated, and that, accordingly, there was no relevant entry in the valuation list, its value could not be treated as nil when determining whether the county court or the High Court had jurisdiction to hear and determine an action by mortgagee for the recovery of possession of the mortgaged land. It must, in accordance with section 200(2) of the County Courts Act, 1959, be taken to have a net annual value equivalent to its value by the year.

His Lordship was giving judgment upon the point in an action by P. B. Frost Ltd against Mr William Green, of 19, Elmwell Manor, Melton Mowbray, Leicestershire.

Mr C. P. Rimer for Frost; Mr Stephen Butler for Green.

BTS LORDSHIP said that Frost, as mortgagee under a legal charge dated June 12, 1977, securing a loan of £40,000, sought possession of two hereditaments: a dwelling house, Pickwell Manor, occupied by Mr Green, and 218 acres of adjoining land, and 218 acres of agricultural land. Notice requiring repayment was given on May 24, and about £46,795 was outstanding in capital and interest. The net annual value for rating of the manor house was £1,000; the adjoining land was £742; but the 218 acres, being solely agricultural land, had no relevant entry in the valuation list.

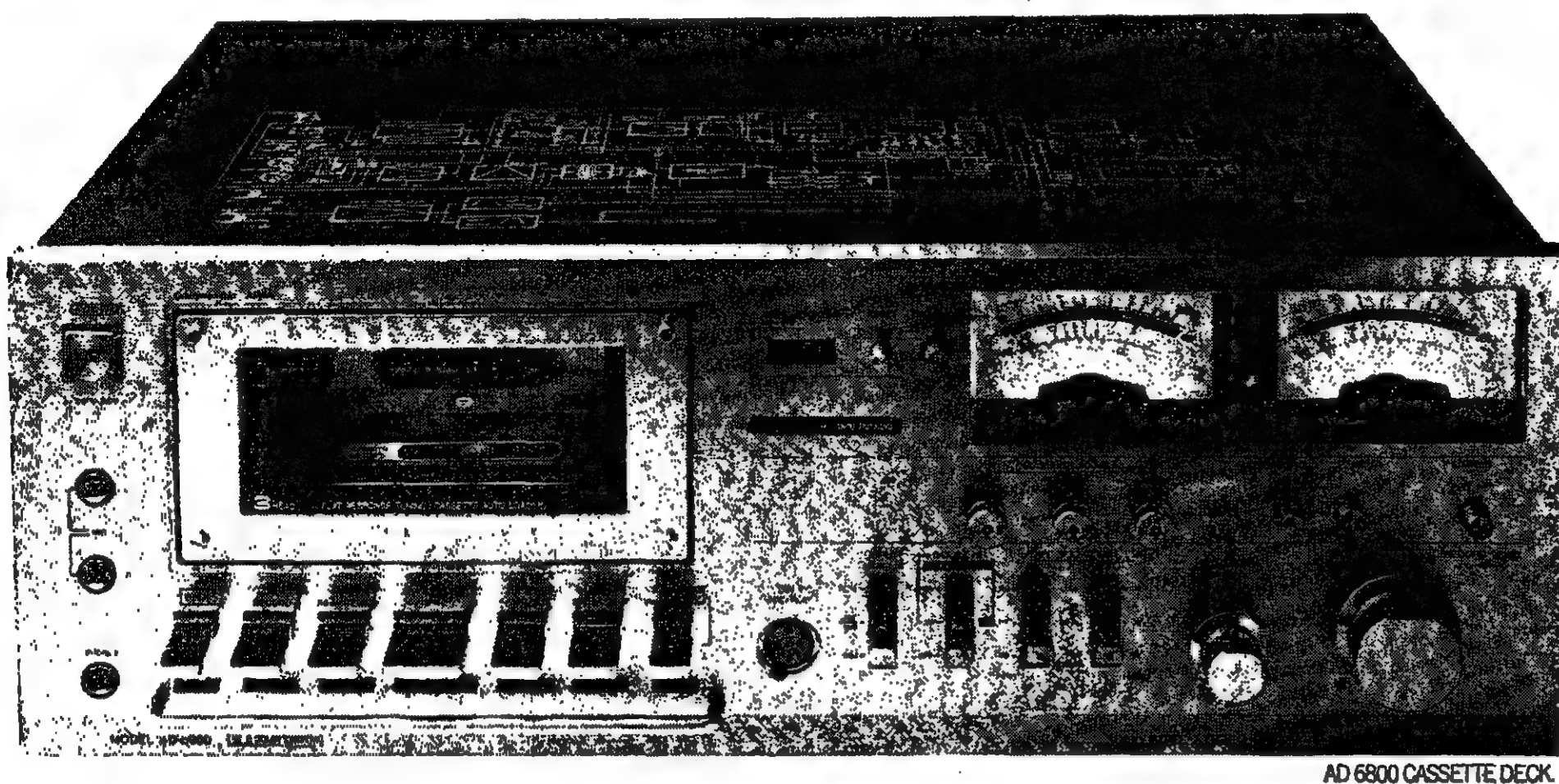
It was contended for Mr Green that value of the land for rating purposes was nil, and that the matter came therefore within the county court's jurisdiction, as it fell below the county court limit of £1,000 set in the Administration of Justice Act, 1973. As a result the High Court had no jurisdiction.

It was common ground that Frost was entitled to an order for possession, subject, inter alia, to the question of jurisdiction.

By section 37(1) of the Administration of Justice Act, 1970, where a mortgage of land consisted of or included a dwelling house and no part of the land was situated in Greater London or the county palatine of Lancaster, then, subject to sub-section (2) of the section, if a county court had jurisdiction by virtue of section 48 of the County Courts Act, 1959, or section 38 of the 1970 Act, to hear and determine an action in which the mortgagee claimed possession, no other court should have jurisdiction to hear and determine that action. Sub-section (2) provided that the section should not apply to an action for foreclosure or sale which a claim for possession was also made.

The answer to the problem was in the amended section 200(2) of the County Courts Act which provided that where the property in question did not consist of one or more hereditaments having a separate net annual value for rating, the property or such part of it as did not so consist should be taken to have a net annual value "equivalent to its value by the year". His Lordship was satisfied that the value to be attributed to the 218 acres must be substantially more than £1,000 (less £742) and therefore that the High Court had jurisdiction to deal with the case.

Solicitors: Murrell & Ruston for Green; Sons, Chelmsford; Blackett, Gill & Langhams for Peter M. Cox & Co, Melton Mowbray.



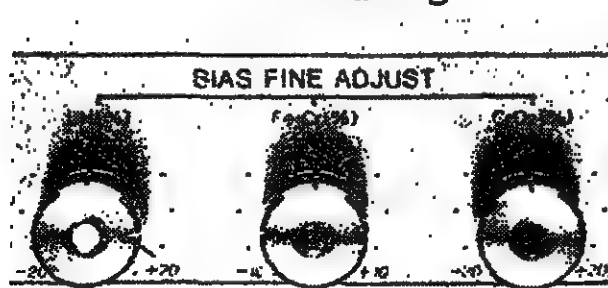
AD 6800 CASSETTE DECK

## The best cassette deck from the best cassette deck company

### Leaders in cassette systems

The superb new AD 6800 represents the culmination of years of innovative research and development by Aiwa. It incorporates many features unknown on other decks: such as triple bias fine controls; a third, test head with azimuth alignment facility; and double needle meters.

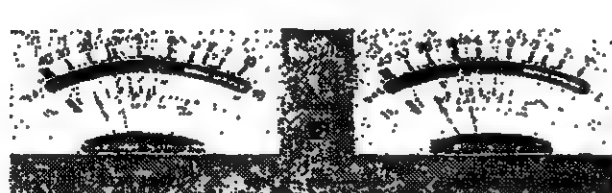
### Fine bias tuning



The correct bias setting is crucial to the recording performance of any tape. The AD 6800 is the only cassette deck to incorporate a Flat Response Tuning system which enables any user to set the bias circuit to its ideal response level giving you the best possible performance from any tape used with this machine.

All you need to do is watch the V.U. meters. When you switch to 'Test', you can align the azimuth of the 3rd head by sliding the control in the cassette compartment until the needle of the Right V.U. meter is as far to the right as possible. Bias can then be finely tuned because the test signal oscillators are emitting at 400Hz and 8KHz. The 400Hz signal is indicated by the Left V.U. meter, and the 8KHz signal by the Right one. The appropriate bias fine control should then be tuned until the needle positions on both meters are identical. This means that the frequency response is matched at high and low frequencies and that the flattest possible response curve will be achieved during recording.

### Double needle meters



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### Incredible performance

These exclusive Aiwa innovations help the AD 6800 to achieve quite incredible performance figures. Wow and flutter is reduced to below 0.05% (WRMS). The S/N ratio is an outstanding 65dB (FeCr, Dolby on). While distortion is a scant 0.09% at 1KHz OVU with FeCr tape.

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### Specification

Type:	Front-loading type stereo cassette deck with Dolby N.R. system
Power consumption:	20 watts
Power source:	130/240V 50/60 Hz
Dimensions:	450(W)x162(H)x335(D) mm (17 3/4x6 1/2x13 3/4")
Weight:	10.0 Kg (22 lbs)
Track:	4-track 2-channel
Speed:	4.8 cm/sec (1 7/8 ips)
Frequency response:	20-16,000 Hz (LH tape) 20-18,000 Hz (CR tape) 20-20,000 Hz (FeCr tape) DIN 45500
S/N Ratio:	25-15,000 Hz (LH tape) 25-17,000 Hz (CR tape) 25-17,000 Hz (FeCr tape) 65 dB (Dolby on, FeCr tape) 64 dB (Dolby on, FeCr tape DIN 45500)
Wow and flutter:	0.05% (WRMS) 0.1% (DIN 45 507)
Fast forward and rewind time:	90 sec. (C-60 tape)
Heads:	Ferrite Guard Head (FeCr) (rec./pb) Ferrite (erase) Test head x1 2x V.U. and Peak indication 38 pulse FG servo motor
Meters:	2x V.U. and Peak indication
Motor:	38 pulse FG servo motor
Input sensitivity/impedance:	0.25mV/200 ohms -10K ohms 50mV/50K ohms 0.1mV/50K ohms / 3K ohms
Output level/impedance:	0.775V/50K ohms 0.775V/50K ohms 2mV/8 ohms
Headphone:	2mV/8 ohms

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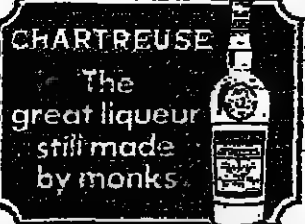
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## Cabinet presses on with union role in managing state industries

By Paul Routledge  
Labour Editor  
Harrowgate

The Government is pressing ahead with plans to introduce a new union role in the running of nationalised industries while formulating a policy for the private sector.

This emerged yesterday after Mr Wedgwood Benn, Secretary of State for Energy, addressed a National Union of Mine-workers conference on industrial democracy in Harrogate. He called for a "step by step" movement towards workers' control in the mining industry.

More interestingly, he said afterwards that he had Cabinet authority to write to the unions in the industries for which he is sponsoring ministerial coal, electricity and gas—asking them to put forward plans for industrial democracy, by the end of this year, where possible.

Mr Benn said: "We are waiting for the plans to come forward and the Government will respond positively towards them."

The Cabinet is still working on the draft of a White Paper on industrial democracy in the private sector, and there is as

yet no firm date for its publication.

In his address to the conference, Mr Benn demolished the political opposition being mounted by Mr Arthur Scargill, the Yorkshire miners' leader, without mentioning him by name. He rejected the argument that trade unions were not interested in participation in the running of their industries until a socialist society had been achieved as "absolutely contrary to the whole history of the Labour movement."

"It is really true that the NUM wants no part of the management of the mining industry until socialism is created," he asked.

If so, why did the union sponsor MPs in Parliament in the hope that they would run an economy that still fell far short of socialism? Mr Benn said a step-by-step programme towards self-management was the right course for the miners.

"Of course we should reject phoney schemes if they are brought forward. But does anyone believe that the NUM is not strong enough to prevent a phoney scheme from weakening its basic strength? Of course not."

## Price Commission's index puts annual rate of rises at only 5.8pc

By David Blake  
Economics Correspondent

New figures were issued by the Price Commission yesterday suggesting that the fall in the inflation rate will go on well into the new year. They were coupled with a call by Mr Charles Williams, the commission chairman, for companies to spread out price rises at less frequent intervals.

Mr Williams said that, under the new price code which came into effect on August 1, many large companies were no longer asking for permission to raise prices every three months. He added that the commission "welcomes this development" and "would like to see the interval between individual price increases further extended wherever possible."

There should be a more general return to the system of annual price reviews, he said, echoing the opinion of many politicians that frequent price rises are particularly damaging at a time when price increases are limited to one every 12 months.

Under the new price code, the commission has much more freedom to decide which applications for price increases it investigates than it had under the old system. Thus there is likely to be real pressure on companies to pay attention to Mr Williams's suggestion.

The commission believes the fall in commodity prices to manufacturers makes it possible for many companies to switch to an annual review of prices at least in sectors where raw

material costs play an important part.

Clear signs that price pressure is slackening are contained in the Price Commission Index for December, which shows that in the six months to the end of last month it rose at an annual rate of 5.8 per cent.

This compares with the figure of 7.3 per cent in October and that of 20.8 per cent recorded in March.

The commission index is the quickest of all the inflation indicators to pick up a change in trend. It is constructed from requests to raise prices submitted by the largest companies in Britain.

They have to wait at least 28 days from the time they request permission for a price increase to the time when they are allowed to put up their prices. There is then a further delay before these prices are reflected in retail prices.

Although the index has in the past year established its credibility after some early outside scepticism, the absolute level of inflation which it suggests must not be taken too literally because many items in retail prices are not covered by the index.

EEC rises slowing: The average consumer price rise in the European Community slowed down in October, latest Brussels figures show. The preliminary consumer index stood at 198.7 (1970 = 100), up 0.6 per cent in a month compared with a rise of 0.7 per cent in September.—AP-Dow Jones.

## Chile blocks moves to cut copper output

By Wallace Jackson  
Commodities Editor

Beratis Chile blocked a Zambian proposal for all-round production cuts to prop up sagging world prices of copper, a three-day meeting in Jakarta of the Council of Copper Exporting Countries (CCEC) broke up yesterday in disagreement.

Shortly afterwards Zambia, Zaire and Peru issued a statement saying that they had agreed in principle to cut production, but there was no indication of when cuts would be made, or by how much.

These three states have been particularly hard hit by weak demand for copper and prices which have prevailed since the 1973-74 boom collapsed.

The five full members of CCEC, Chile, Indonesia, Peru, Zaire and Zambia produce about 75 per cent of world copper exports.

An official communiqué after the CCEC meeting said that although there was general agreement that producing countries must take steps to balance supply and demand for copper next year, no decision was reached on how to do this.

However, the conference reaffirmed support for the integrated commodity programme being negotiated through the United Nations Conference on Trade and Development.

Mohammed Sadiq, of Indonesia, the non-aligned chairman of CCEC, will contact major countries involved in the United talks to discuss the basis for a possible agreement at the third United preparatory meeting on copper to be held in Geneva at the end of January.

At a press conference, Mr Sadiq said that the CCEC secretary general, said that so far, there was general agreement on the need for production cuts, this could be considered a success; but the fact that no decision was taken could be considered as less than a success.

A previous attempt by CCEC to restrict copper production, decided on in April, 1974, ended in failure in 1976, when at least one major producer did not adhere to the agreed 15 per cent cutback.



Mr Bernard Asher, who is to be acting director general of NEDO until a successor is found for Sir Ronald McIntosh, Sir Ronald attended his last NEDO meeting yesterday, report page 22.

## Peace hopes for Tyneside yards

By R. W. Shakespeare

A leading shipbuilding union official said last night he was "more than hopeful" that an early solution would be found to the Swan Hunter dispute on Tyneside. This would enable the remaining ships of the £15m Polish order to be reallocated in the north-east.

Mr John Chalmers, chairman of the shipbuilding committee of the Confederation of Shipbuilding and Engineering Unions, said: "We are all highly optimistic."

The confederation's hopes appear to be founded on a programme that the unions have drawn up for getting wage reforms under way as quickly as possible.

Presumably it is hoped that the Swan Hunter men will see the solution to their overtime dispute emerging from this programme.

## Polish deal gets 100 pc credit

Continued from page one

British Shipbuilders, and the Polish directors by PZM. Their salaries had not yet been fixed. British Shipbuilders and PZM would put up the share capital equally.

The Poles will get what amounts to 100 per cent credit—a commercial loan of around 30 per cent, arranged at 9 per cent and a 7 1/2 per cent loan over seven years for the balance, raised on normal Export Credits Guarantee Department terms.

A Department of Industry spokesman yesterday stressed that these arrangements were not unusual. Nor was the official unqualified subsidy.

The spokesman said the terms of the charter to PZM—the final details of which were intended to make sure that Britain's share of the £15m bill was recovered from its half of the lease income.

The same point was made privately by officials at British Shipbuilders.

## Property man denies Fay allegation

By Maurice Corina

Mr Jack Walker, who was among the property developers backed by the ill-fated Crown Agents, yesterday stated that Mr Alan Challis, the Agents' former finance director, had no shareholding in a company with which they are now associated.

This conflicts directly with last week's Committee of Inquiry report, prepared by Judge Edgar Fay, which stated that Mr Challis was now a shareholder and executive of United Merchant Securities, described as an international investment and trading company.

The Fay report said there were three other shareholders, Mr J. J. Walker and Mr Ramon Greene, and one not named, in addition to Mr Challis.

Mr Challis originally left his post with the Crown Agents in July, 1973, amid a gathering storm, to join the First National Finance Corporation, also financially supported by the Crown Agents and the subject of a special unpublished separate report prepared by the Fay committee last year.

The Fay report records that Mr Challis left FNFC in December 1974. United Merchant Securities operates from Grosvenor Crescent, London, and Mr Jack Walker said yesterday that Mr Challis was appointed chairman and director of the company in July, 1975.

Mr Walker, who, like Mr Greene, now lives in Monte Carlo, explained: "Neither of us has any connection with the company in the executive sense, but trustees of settlements were agreed many years ago with the shareholders, and as such the trustees take up interest. Our interest in the company is as trustees to each other's settlements."

Mr Walker, who is shortly to return to Monte Carlo, added:

"Mr Challis has no shareholding in the company."

Both Mr Greene and Mr Walker are mentioned in the Fay report in connection with the English and Continental Property Company, whose operations "were to bulk large in the Crown Agents' affairs."

Crown Agents has bought out most of the shareholders' interest in E & C in order to disengage itself in the rescue operations still in progress. Despite recovery of various sums, losses on the investment are stated as bound to be high—probably in the region of £35m.

The Fay report made a number of criticisms of Mr Challis, who has maintained a firm silence since publication. It is known that he is not the only former Crown Agent servant now with former business partners or associates. Mr Peter Sly, former property manager, is employed by Mr Reno Dipre.

He left the Crown Agents in February, 1974, and had been made property manager in succession to Mr Bernard Wheatley. His experience in property investment was described in the Fay report as "nil".

Mr Dipre was a developer of an Epsom, Surrey, town centre site in partnership with the Crown Agents, and the difficulties encountered also involved the Stern group. The Fay report dealt extensively with the Epsom site.

Yesterday MPs who want a full public tribunal were stepping up pressure on the Government to respond. Both Mr William Malloy (Labour, North Ealing) and Mr Jeff Rooker (Labour, Birmingham, Perry Barr), said a full judicial inquiry was needed when it was known that former Crown Agents' servants were now associated with people involved in the Fay report.

## Hitachi shelves plan for UK assembly

By Patricia Tisdell

Hitachi has shelved its plans to build a colour television assembly plant in the North-east of England. The Japanese electronics group said last night that its withdrawal was due to disagreement from British manufacturers and trade unions.

Mr S. Kobayashi, director of the Hitachi consumer products group, explained that the company would not want to establish a United Kingdom factory in the current climate of intense opposition within the electronics industry. Hitachi had not expected such strong opposition to the development, which he was confident would have contributed to the British economy.

The Japanese move prompted any government decision on whether the scheme should be allowed to proceed. During protracted negotiations with the company, extending over more than 12 months, the Department of Industry had been waging what it considered to be an important campaign to protect the United Kingdom industry.

The company undertook to buy between 50 and 70 per cent of the components for the sets from British-based manufacturers, and also gave a pledge that at least half the output from the factory would be exported.

The decision not to proceed was relayed with only a few hours warning to Mr Alan Williams, Minister of State for Industry, who had been heading the talks.

At a meeting called at short notice on Monday, Mr Kobayashi, who had travelled from Tokyo for the occasion, told Mr Williams that even if immediate consent were given Hitachi's view was that the assembly here hindered them



Mr Kobayashi, left, director of Hitachi; Mr Chiba, centre, general manager of international division, and Mr Arichi, product manager, in London yesterday.

from setting up a "normal" operation.

The decision evidently also took Hitachi's negotiating team by surprise, since a spokesman said that the company had had no intention of withdrawing its application to establish the factory at Washington New Town, near Newcastle upon Tyne.

It would have resulted in an investment of approximately £5m, creating between 400 and 500 new jobs. It would also have been the first wholly owned manufacturing plant to be set up by Hitachi within the EEC.

At a press conference in London last night Mr Kobayashi said that the company had no

plans at present to set up the operation elsewhere in Europe.

The withdrawal was not due to any reassessment of sales opportunities but was entirely a result of unfavourable attitudes. He hoped the situation would change but would not give any assurance that if it did the project would still be based at Washington.

Lord Glenamara, chairman of the North of England Development Council, condemned the Government's "ludicrous and indefensible handling" of the Hitachi affair, which, he said, would discourage further investment by foreign companies in the United Kingdom.

## Bonn support fails to sustain dollar

By Our Economics Staff

Throughout Europe yesterday the dollar lost much of the ground it had recovered on Tuesday on the strength of a pledge by Dr Hans Apel, the German Finance Minister, to go on supporting the United States currency.

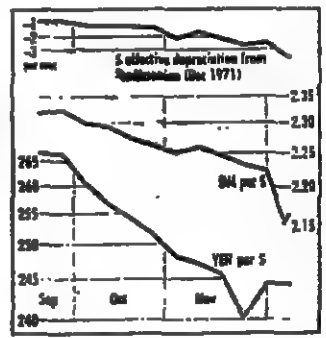
Trading was fairly heavy during the day, with considerable central bank intervention, but at close of business the rate against the Deutsche mark had fallen to 2.1675, compared with 2.1780 on Tuesday. However, it never reached the lowest points it had reached during Tuesday's trading, and some dealers believed technical factors might work in its favour until the end of this year.

Concern about the underlying position of the dollar remains, however, and is likely to be reasserted in 1978.

The technical argument for the dollar's strength is that business is likely to slacken off as the year draws to a close, which ought to make it easier and cheaper for central banks to intervene in its support. In addition some people who have sold the dollar short may feel the need to cover themselves by the end of the year's accounting period.

A belief that this might happen is beginning to exercise a distinctly bearish influence on sterling, whose effective rate fell again yesterday to 63.1 per cent of its 1971 parity—the lowest closing level since it was allowed to float upwards.

Against the dollar it closed marginally up, at \$18265.



There was another round of denials that any of the smaller currencies in the snake with the Deutsche mark intended to leave it, with a particularly strong rebuttal from the Netherlands.

Economic Notebook, page 23

## Last of 1982 tap stock exhausted

By John Whitmore  
Financial Correspondent

This week's resumption of significant gilt-edged sales by the monetary authorities continues to go well yesterday, with supplies of the short-dated "tap" stocks. Treasury 81 per cent 1982, declared exhausted shortly after the opening of business.

Although the £800m stock had sold well when launched in late September, sales became bogged down during October as markets began to take the view that the fall in interest rates had probably come to an end.

At that stage the market estimated that about three-quarters of the stock had been sold. The rest of the stock has sold "exp" yesterday, the price of the stock, Treasury 10 per cent 1982, rising a further 1/8 to 90 1/8.

Although the resumption of gilt sales and Tuesday's banking figures for November put up to 50p on long-term rates, the exhaustion of the short "tap" did little for prices at the short end.

The market is anxious to see what the authorities will do next.

## Panel rebukes Crane over repudiated profits forecast

By Ray Mearns

The Takeover Panel has admonished the board of trailer manufacturer, Crane Fruehauf, for not standing by the profits forecast of £2m pre-tax for the year ending December 31, 1977, which was made at the time of the first Inchaape offer in October.

The American group, Fruehauf Corporation, was in control of Crane Fruehauf earlier this week and the Crane board responded with a letter to its shareholders advising them not to continue resistance. The board also explained that it no

longer accepted responsibility for the forecast since it was made in the context of Inchaape's approach which assumed that management and accounting policies would be unaltered.

The profits prediction, Crane Fruehauf asserted, "would not be valid in the context of the Fruehauf offer."

This view has been strongly criticized by the Panel which declared categorically that it "not prepared to allow directors to repudiate responsibility for forecasts made in bid situations."

## How the markets moved

The Times index: 204.09 +1.50  
The FT index: 4853 +3.3

### Rises

C. Basset	7p to 140p
Bertram	8p to 640p
Cater Ryder	8p to 250p
Decca	10p to 350p
Electronics	8p to 350p
Fisons	10p to 350p
Glaxo	10p to 350p
Long Chem Ind	11p to 350p
Irish Distillers	11p to 350p
Libson	16p to 461p

### Falls

EHL	5p to 180p
English Card	5p to 90p
Lydenburg	4p to 58p
Moss Eng	3p to 61p

### THE POUND

Australia \$	1.66
Austria Sch	23.75
Belgium Fr	65.25
Canada \$	20.5
Denmark Kr	11.28
Finland Mk	7.75
France Fr	9.45
Germany Dm	4.13
Greece Dr	77.50
Hongkong \$	8.89
Italy L	1625.00
Japan Yn	465.00
Netherlands Gld	4.45
Norway Kr	9.95
Portugal Esc	78.00
S Africa Rd	1.90
Spain Ps	157.50
Sweden Kr	8.98
Switzerland Fr	4.04
US \$	1.87
Yugoslavia Dnr	36.75

Rates for small denomination bank notes only, as supplied by the Bank of England. Interest rates apply to travellers' cheques and other foreign currency payments.

Gold gained \$0.75 an ounce to \$160.65.  
SDR-5 was 1.19524 on Wednesday while SDR-4 was 0.654747.  
Commodities: Reader's index was at 1,500.7 (previous 1,496.1).  
The effective exchange rate index was at 63.1.  
Reports, pages 25 and 27

## On other pages

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## Why market in sterling Eurobonds turned sour

Is the market in sterling Eurobonds, launched amid great enthusiasm only a month ago, already dead?

After yesterday's experience in the secondary market it has become clear that at the very least it is in a deep coma and will now need a lengthy period of recuperation if it is again to venture forth.

The problems were becoming apparent on Monday and Tuesday when three new issues were priced amid rapidly deteriorating market conditions. Two of the issues, those by Fisons and the European Investment Bank, had their coupons raised from the originally intended level, but evidently this was not enough.

In initial trading yesterday all three issues fell to big discounts, even allowing for the 11-point concession available to underwriters. Fisons, priced at 100 to 98 1/2, the EIB priced at 99 1/2 to 98 1/2, while Court-audis, priced at 98, plummeted to 94 after being almost a point lower at one stage.

Fall declines on this scale have rarely been seen since the dark days of the last bear market in 1974. Plainly many of the bonds had not been placed in firm hands, and with the prospect of losses looming, bonds were tending to be sold straight away.

For underwriters left with stock which already shows book losses there are two immediate problems. One is the year end by which time they may be reluctant to continue carrying losses. The other is the requirement to transfer any holdings into their secondary market portfolios after a month, at which point losses have to be made up through the currency premium and are therefore compounded.

Since British banks under the jurisdiction of the Bank of England are not supposed to hold sterling Eurobonds in their investment portfolios (unlike other currency bonds) and since British institutions do not buy them because they are premium investments, it is widely felt that the secondary market could continue to be weak for some time.

The real problems go deeper than this, however. Partly the market has turned sour because it was getting under way just at the moment when real doubts were developing about the trend of interest rates and the future direction of sterling. Investors simply find it hard to see what factors would be needed to send sterling Eurobond prices up to a higher level.

Perhaps even more serious has been the simple oversupply of stock, six issues totalling £120m having been floated in only four weeks of which three have been in the past week. Some have blamed the Bank of England for the lack of a proper queue, but most blame it on the issuing houses for attempting too much in too short a time. At bottom it seems that no one is really sure how much underlying demand can be found for sterling Eurobonds.

Christopher Wilkins

**BLACK DIAMONDS PENSIONS LIMITED**  
(A company wholly owned by the National Coal Board Pension Funds)

**Offer for the Ordinary Shares of THE BRITISH INVESTMENT TRUST LIMITED**

S. G. Warburg & Co. Ltd., on behalf of Black Diamonds Pensions Limited, wishes to emphasise that the Offer expires at 3 p.m. on Monday, 12th December, 1977 and that neither the guaranteed minimum cash price of 165p per share nor the formula value of the Offer if higher on 12th December, 1977 will be open for acceptance after that time under any circumstances.

Black Diamonds Pensions Limited is concerned that it has not been generally understood that the Offer closes at that time and will not be extended whether or not it has become or been declared unconditional.

Fourteen days' notice of the expiry of the Offer at 3 p.m. on Monday, 12th December, 1977 was given (under Rule 23(1) of The City Code on Take-overs and Mergers) on 28th November, 1977 in the letter sent to the Ordinary Shareholders of The British Investment Trust Limited by S. G. Warburg & Co. Ltd., on that date. Accordingly the Offer will expire at 3 p.m. on Monday, 12th December, 1977. It cannot be extended or revised and it cannot be accepted after that time under any circumstances.

This statement has been issued by S. G. Warburg & Co. Ltd., on behalf of Black Diamonds Pensions Limited. The Board of Black Diamonds Pensions Limited has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and all the Directors jointly and severally accept responsibility accordingly.

**Ford**

**BEARER DEPOSITARY RECEIPTS**

Following the DIVIDEND DECLARATION by the Company on 13 October 1977, NOTICE is now given that the following DISTRIBUTION will become payable to Authorised Depositaries on or after 13 December, 1977 against presentation to the Depositary (as below) of Claim Forms (obtainable from the Depositary) listing Bearer Depositary Receipts.

Gross Distribution per Unit	4.00 cents
Less 15% US Withholding Tax	0.60 cents
	3.40 cents per unit
Converted at \$1.84	= £0.018478 per unit

**DEPOSITARY**  
National Westminster Bank Limited  
**STOCK OFFICE SERVICES**  
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PO Box No. 297, Drapers Gardens  
12 Throgmorton Avenue  
London EC2P 2ES.  
7 December 1977.

**Allied London Properties Ltd**

**Profits up for seventh year**

- ★ Profits increased from £281,080 to £270,589
- ★ A scrip issue of 1 share for every 2 shares held
- ★ Maximum dividend increase paid
- ★ Trustee status for company
- ★ Chairman looks forward to another successful year

**9 HINDE STREET LONDON W1M 5RG**



# Employers face union call for £70 minimum

By R. W. Shakespeare

Leaders of Britain's 1,200,000 engineering workers meet today to draw up a series of pay demands and conditions that will be tabled with the Engineering Employers Federation on December 19.

The attempt to negotiate a new national agreement on minimum wage rates, working hours, holidays and other conditions follows a two-year break in industry-wide bargaining during which pay increases under phases one and two of the Government-TUC incomes strategy have been settled on a plant-by-plant basis.

In terms of size and the number of workers involved the claim that is likely to emerge from today's meeting of the national executive of the Confed-

eration of Shipbuilding and Engineering Unions at York could represent the biggest private sector challenge yet to the Government's 10 per cent guidelines on wage increases.

The executive will have before it a framework of demands that have already emerged from a policy-making conference of its largest constituent union—and there are 19 in all—Mr Scanlon's Amalgamated Union of Engineering Workers. The two biggest elements in this are calls for an increase in the present minimum basic rate of £42 for skilled workers to £70 and a reduction in the working week from 40 to 35 hours.

The AUEW "shopping list" also includes longer holidays, improved overtime and shift rates and other fringe benefits. It has been calculated

that if the total demands were conceded it would mean a 90 per cent increase in basic costs in the industry.

However, the pay structure in engineering is an extremely complicated one since negotiations traditionally take place at two levels—nationally between the confederation and the EEF and locally between shopfloor representatives and company managements. This has resulted in a complex pattern of hundreds of different wage agreements in about 5,000 industrial companies.

The minimum basic rates in engineering, which were fixed in the last national negotiations before the introduction of phase one, now bear little relationship to actual earnings. The effective wage for a skilled worker is about £65 for a 40-hour week.

Another complicating factor is that all the separate company and plant-level

agreements that have been made during phases one and two (and these have not been consolidated into basic rates) have different terminal dates.

A new national agreement would mean that the 12-month rule—under which no new wage increase can be conceded within a year of the last increase—would have to be breached in a great many companies.

Most union leaders, including Mr Scanlon, are committed to supporting the 12-month rule. The confederation executive will therefore be in a dilemma today. It is anxious to get back into the national negotiating arena and to secure a much more realistic basic rate structure. Its problem is to determine how this can be done without deliberately putting itself on a collision course with the Government while at the same time bowing to shopfloor pay demands.

## Wage packet switch to Giro recommended

By Margaret Drummond

Up to 15 million shopfloor employees who are paid in cash could be under pressure to switch from a weekly wage packet to a monthly payment through a bank.

In its evidence to the Wilson Committee, the National Giro, the state-run banking and money transmission service, urges the Government to "take a lead" in encouraging such a move.

Talks are already in progress between a number of large employers, the trade unions and National Giro over the possibility of switching workers to monthly transmission systems. Productivity deals are being considered for sharing the cost savings to management of a changeover with cooperating workers.

National Giro claims that the weekly wage packet is expensive, and vulnerable to theft.

A switch to bank accounts would encourage saving. In France, which is cited in the report as a practical example, there is a legal obligation to accept monthly payments. Only a sixth of the French working population is still paid weekly, compared with one half in the United Kingdom.

But such a change might not go down so well here. Mr Sam Wainwright, recently appointed managing director of National Giro, conceded that employees' rights to opt out might have to be preserved under any new legislation.

National Giro, set up a decade ago to provide a financial service to those who did not want a conventional bank account, can see an enormous potential market for itself if the Government responds to its suggestions. Most of the weekly cash wage earners in the country do not have a bank account.

## Gatt textile talks adjourned two days in the face of EEC objections

Geneva, Dec 7.—Textile importing and exporting states today adjourned their talks on renewing the 1973 International Textile Trade Agreement for two days.

Sources of the closed negotiations said Mr Olivier Logez of Switzerland proposed the interruption as "a time for reflection and consultations" after none of the delegates would take the floor.

Mr Long, director of the General Agreement on Tariffs and Trade, under which auspices the treaty was nego-

tiated, is chairman of the Gatt Textiles Committee in which the 50 member states periodically review the treaty.

Their discussions resumed on Monday after two previous attempts, one a year ago and the last in July. It was clear from the start that no progress was likely in the absence of a final negotiating mandate from the European Community, on which the treaty's future depends.

The Community objects to the basic treaty provision for an annual 6 per cent increase of exports from developing producer countries to the ad-

vanced consumer nations, and has suggested bilateral export restraint agreements with most of its suppliers.

Agreed at a time of strong global economic growth, the 6 per cent formula has caused difficulties in the period of recession that followed, and the Community says, serious damage to the textile industries of its nine member nations.

The formula has not had the same disrupting effect in the United States, which had already concluded a similar export restraint pact with its suppliers before 1973.—A.P.

## NCB chief urges state incentives to energy saving

Financial incentives to stimulate energy conservation should be introduced by the Government, Sir Derek Ezra, chairman of the National Coal Board, said yesterday. New incentives would supplement the Government's extended programme of educational and promotional activity, he told the Milton Keynes City Forum yesterday.

Sir Derek suggested that more could be achieved if improved standards and objectives for energy conservation in housing were established. "Financial incentives could be used to encourage compliance, and after a period compliance could become compulsory. In such a policy area, where success depends on the decision and actions of individual consumers, this seems the only practicable way forward."

Research suggests that better energy conservation in housing alone could eventually provide savings up to 10 per cent of the nation's energy requirements, he said.

## Low pay prospects fail to attract research engineers

By Derek Harris

Low salary prospects are discouraging recruitment of professional engineers into research, development and design, according to the 1977 survey prepared by the Council of Engineering Institutions, and published yesterday.

There was a decline in the percentage of engineers involved in these sectors, yet these were the occupations that needed strengthening if Britain was to maintain its position as a leading producer of industrial equipment, the survey pointed out.

Another disturbing trend was a declining percentage of chartered engineers undertaking further training in management and technology. However, the proportion of technician engineers in further education is greater.

The survey covers technician engineers for the first time and shows that there is only a

limited improvement of their salaries in the 35-55 age-band, when such engineers are probably making their major contribution to their career.

Only 10 per cent of professional engineers in salary terms saw the real value of their income fall further behind in the period 1975 to 1977.

The survey shows more chartered engineers have joined a trade union, and the proportion of union members now standing at 44 per cent. Among technicians engineers 53 per cent are union members.

More chartered engineers are switching to the public sector where they will be able to command better salaries than in comparable private sector positions, the survey shows.

"The rewards received for contributions made to a nation's science and technology have not kept pace with the cost of living", the CEI commented yesterday.

"CEI 1977 Survey of Professional Engineers"; CEI, 2 Little Smith Street, London SW1 1ES.

## Industry to get double intake of civil servants

The Government plans to double by 1980 the number of civil servants seconded to industry. At present the number moving from Whitehall on short service engagements is only in double figures, Mr Enoch and Mr Vane, Secretary of State for Industry, are behind the drive to expand this number.

Talks will be held shortly with employers organizations and leading industrial companies to lay the groundwork.

Sir Ronald Findlay, the director general of the National Economic Development Office, said yesterday that the NEDO council discussed the shortage of skilled manpower. NEDO believes the situation may now be far more serious than official figures suggest.

## Vesting date set for aerospace

British Aerospace, the nationalized aircraft-manufacturing industry, is to take over the assets and businesses of the British Aircraft Corporation, Hawker Siddeley Aviation, and Scottish Aviation on January 1, it was announced yesterday.

From that date, British Aerospace will operate through two major groups—aircraft and dynamics—and the old aircraft company titles will disappear.

## Co-op in superstore deal with Woolco

The Co-op—Britain's second largest superstore operator—is to open two more stores in the North-west on sites it has acquired from Woolco.

In a deal announced yesterday, E. W. Woolworth has sold to the Greater Lancashire Co-operative Society for an undisclosed sum its 109,000 sq ft Woolco store at Kirby, on Merseyside and a hypermarket site with planning permission for a 90,000 sq ft store at Marton, Blackpool.

## £28m EEC steel loans

The EEC Commission has approved two loans worth £28m to the British Steel Corporation for projects in Scotland. The bulk of these loans—some £24m—will go towards financing an iron ore direct reduction plant at Hunterston, and the other £4m towards replacing the coke ovens at the Ravenscraig steel-works.

## Arab entry bar

The Department of Trade warned businessmen that as from today they will not be allowed to enter the United Arab Emirates without a valid visa. The UAE also will no longer issue transit visas to visitors wishing to go on to other countries, such as Saudi Arabia. New regulations came into effect from midnight.

## LETTERS TO THE EDITOR

### How management is failing Britain in the international markets

From Mr John Watson

Sir, For many years now I have been involved in the selling of many millions of pounds worth of British goods abroad for the world. As a result of family pressures I have moved to France and established a small company to import British goods.

I have been shocked at the way in which the United Kingdom companies with whom I have had contact treat their overseas customers. To a certain extent the British press have always tended to imply a great deal of blame for export problems on strikes or on the trade unions. Perhaps they share responsibility but my own findings are that the real problem seems to be one of management.

For outstandingly bad manners, lack of interest and

terrible communications the British companies with whom I have had dealings must take first prize.

One company based on an order in January promised delivery in April. In August they decided they no longer wished to export. It was too difficult. Another two asked me to discuss their representation in France during January 1977. I am still waiting for a "yes" or a "no" or a "perhaps". A fourth and from whom I buy quite a number of items increase prices without notice. I am only made aware of the fact when I receive the invoice.

A sixth promised items on a six weeks delivery during March 1977. I am still waiting. A seventh after several reminders promised immediate shipment during June 1977. I

am still waiting and I have had no communication of any description since the June promise. In desperation during October I wrote to them and said: "Please say something if it is only that you have gone bankrupt." Even that failed to produce a response.

Perhaps I am unlucky but there does seem to be a pattern of behaviour which leads to a number of French customers to refuse to buy British. The problem is not just one of late delivery, it is more one of not knowing what is happening.

That surely is a management problem and nothing to do with strikes and trade unions. Yours sincerely, JOHN L. WATSON, Cipieres, 06620 Le Bar Sur Loup, France, December 5.

### Time to revive the Channel tunnel project

From Sir John Colville

Sir, Now that money seems to be flowing into the country in a manner to which we have been long unaccustomed, I think it is time to revive the Channel tunnel project.

The recent dislocation of air traffic shows how easily we can be marooned unless there be a rapid and efficient alternative method of travelling to and from these islands instead of sitting for hours at Heathrow and Gatwick, waiting impatiently for a flight to be called because there is industrial action, or a fog or simply electronic congestion. It would be agreeable to get into a train in London and arrive in Paris two hours forty minutes later, or in Brussels two hours thirty minutes later. These time schemes would have been achieved if a high-speed railway line had been constructed between London and the mouth of the tunnel.

The cancellation of the plans for building the tunnel, which had proceeded a long way, was a decision taken to save public expenditure on building a high-speed railway line. It can be seen in retrospect to have been an act of folly by the present Government. It was also an act of bad faith because a treaty had already been signed with the French, who were keen to go ahead. It was expensive to the taxpayer because those involved in the undertaking had to be paid off and compensated. Finally, the boring of the communication tunnel which was to adjoin the two main tunnels was well under way, and although driving it right through from England to France would have cost more than during the work done, the difference was not immense.

The actual tunnelling is a relatively simple technological task. What led the Government to go back on their word to the French, and bring the matter to such an expensive halt, was the cost of building the

high-speed railway line. This new line was designed to follow the existing railway track for all but a few miles and the environmental damage would therefore be slight, though not it would presumably cost rather more than the £400m estimated at the time of cancellation.

There are a lot of vested interests opposed to the building of a Channel tunnel not least those who run the Channel ferries. However, the compensations far outweigh the disadvantages, for it must be of undoubted assistance to commerce to be able to send goods by rail and without transhipment the whole way from, say, Glasgow to Milan, and the saving in time for ordinary passengers and car drivers would be immense. Taking the containers off the lorries and despatching them by rail would do something to relieve the present nightmare of the roads. Moreover, as nobody in their senses would fly to airports in northern Europe if they could make the journey quicker and more comfortably by train, the diminution of air-craft noise would be substantial.

Under the scheme which was abandoned the whole enterprise would, apart from the railway line, have cost the Government no more than a contingent guarantee of the loan stocks; for the money was to be raised in the free markets. Now that the two governments have bought out the original entrepreneurs, the expense will fall directly on the shoulders of the taxpayer, but the cost is inconceivable for a major social benefit and for an insurance against our being turned into a beleaguered fortress by strikes, fogs and air-traffic congestion.

JOHN COLVILLE, The Old Rectory, Stratfield Saye, Reading RG7 2DA, Berkshire, November 24.

### Qualifying as an 'engineer'

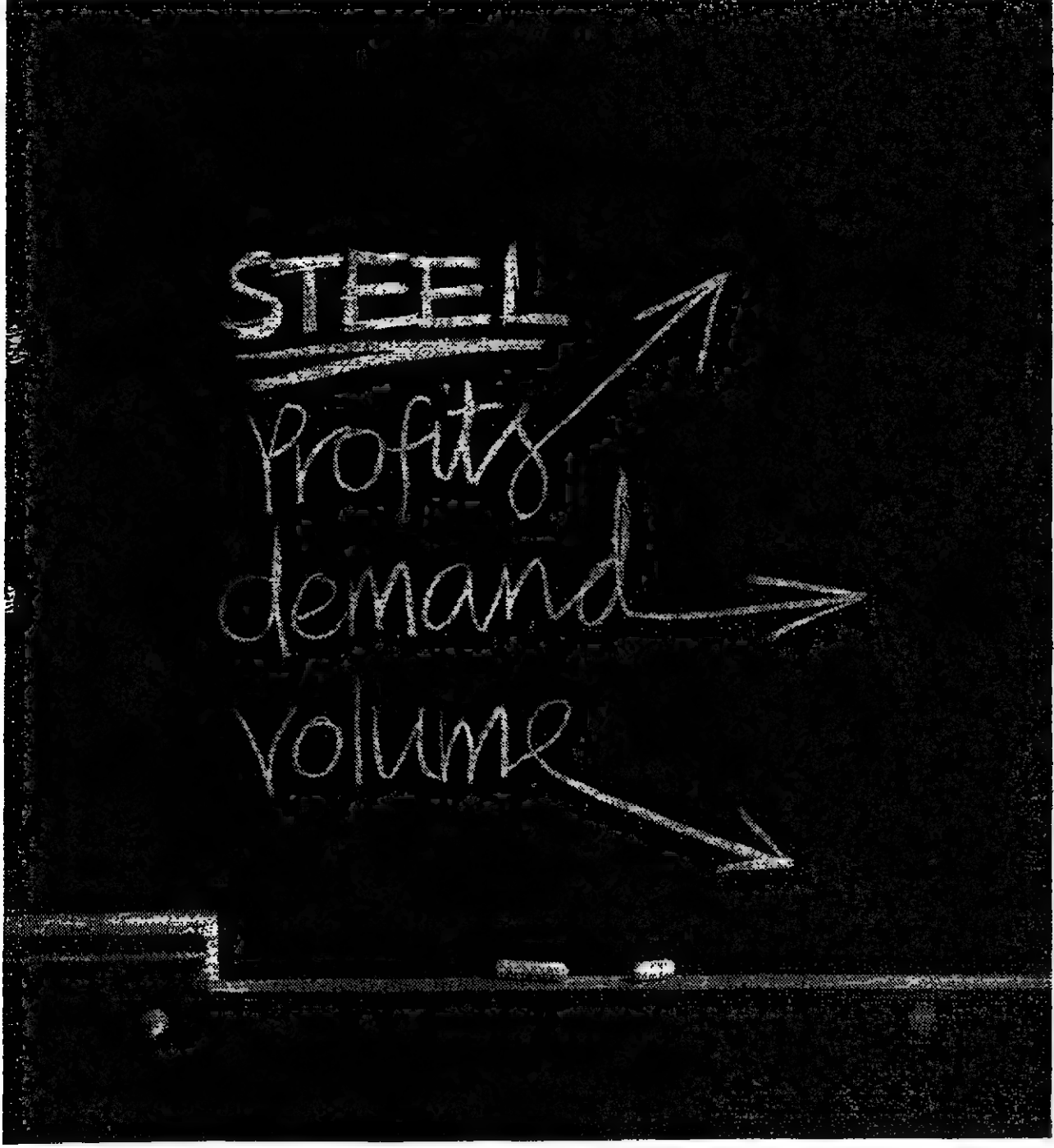
From Mr P. R. Brookman

Sir, Since 1939 I have directed the affairs of our family business, making woodworking machinery. During that time we have made many hundreds of machines by cutting, fashioning and joining cast iron, steel, brass and other metals. The products have used mechanical contraptions, those actuated hydraulically, and those blown about by pressure of air. There is a fair chance that any of the better quality furniture, purchased by your readers since the war, will have included some small contribution to its manufacture by a machine made by ourselves.

When travelling abroad, I and my colleagues (and this goes as much for one of our staff with his tools on his way to effect a repair, as for the chief designer or the production manager) have always used, when completing those little cards some passport officers seem to require, the economic but explicit expression "engineer" to describe our occupation. Apparently we have been guilty of misrepresentation, because none of us has the qualifications Professor Sir Hugh Ford stipulates in his letter to you, are needed to enjoy the description.

Exactly how I should now describe myself is a problem. Hitherto I have "always" eschewed "company director", as being insufficiently explicit. Moreover, those who use the title seem to have difficulties with drinking and driving, marital arguments and similar problems. Presumably we must resort to the time honoured description in engineering circles—*old fogey*.

Yours truly, P. R. BROOKMAN, Director, R. S. Brookman Ltd, Parkside Works, Rotherley, Leicestershire, LE7 7NS, November 25.



## What's wrong with this picture?

The simple answer is 'Not a lot'. Because this year, when demand remained flat and volume actually decreased, Johnson & Firth Brown have shown approximately a 50% increase in pre-tax profits to £11 million.

Of course, JFB are a special case: we're a special steels, wire and engineering group. By maintaining a high technology base, by concentrating throughout the group on specialist 'value added' products, and by upgrading our skills in a changing market place we've consistently done well when heavy industry as a whole has been under a severe strain.

Will the picture change?

Yes. Over the past 4 years JFB have ploughed £27.5 million back into plant and equipment. Already its beginning to

have an effect. Any increase in demand should show an increase in profits.

Here's an example. Part of our capital expenditure was on the GFM SXP65, the most powerful forging machine ever made. It will produce solid or hollow forgings up to 12 metres in length from 8 tonne ingots.

Not only will this give us a competitive edge over the rest of the industry but it should also create new demands from the aerospace, petrochemical, defence, oil and other advanced engineering industries.

Would you like to learn more?

For a complete picture of a successful special steels, wire and engineering company write for a copy of the 1977 Annual Report to R. G. Hardie, Johnson & Firth Brown Limited, Smithfield House, Sheffield S1 2AU.

Johnson & Firth Brown Limited



**PHOENIX**  
ASSURANCE COMPANY LIMITED

### Interim Statement

#### ESTIMATED RESULTS TO 30th SEPTEMBER 1977

The following are the estimated and unaudited results of the Phoenix group of companies for the nine months ended 30th September 1977 with the comparative figures for the corresponding period in 1976 and actual results for the full year 1976. It is again emphasised that interim figures cannot be taken as a reliable guide to results for the full year.

	9 months to 30.9.77	9 months to 30.9.76	Year 1976
Net premiums written:	£m	£m	£m
Fire, accident, marine and aviation	253.7	242.4	323.4
Investment income	26.3	22.0	32.2
Underwriting profit:			
Fire, accident, marine and aviation	0.8	-6.2	-9.4
Long-term	1.3	1.3	1.8
Less expenses not charged to other accounts	28.4	17.1	24.8
Profit before taxation	0.9	0.9	0.1
Less: Taxation	27.5	16.2	24.5
Minority interests	10.2	7.0	9.6
Net profit	1.8	1.8	2.3
Earnings per share, calculated on a weighted average basis	15.7	7.7	12.6
	28.2p	13.2p	21.5p

Note: Overseas currency transactions have been converted at rates of exchange appropriate to the periods in question. In converting US dollar transactions for the 9 months to 30th September 1977 a rate of \$1.75 has been used (\$1.87 for the 9 months to 30th September 1976 and \$1.70 for the year 1976).

#### GENERAL BUSINESS UNDERWRITING

The United States results have shown further improvement during the third quarter and at 30th September the profit of £0.9 million (operating ratio 96.9) compares with a loss of £4.8 million (operating ratio 108.3) for the corresponding period in 1976.

United Kingdom fire and accident business has a loss of £0.5 million (1976 £0.2 million) which is a better result than at the half year.

Canada and Australia remain profitable but significant losses are reported from Belgium and the Netherlands.

#### NEW LONG-TERM BUSINESS

	9 months to 30.9.77	9 months to 30.9.76	Year 1976
New sums assured	£m	£m	£m
New annuities	878	809	1,194
New annual premiums	8.4	7.9	13.1
New single premiums	7.6	7.9	11.6
	3.3	1.8	3.9

Note: These figures do not include the business of Property Growth Assurance Company Limited and Property Growth Pensions & Annuities Limited, which became subsidiaries with effect from 1st April 1977.

7th December 1977



BY THE FINANCIAL EDITOR

## Burton's long road back

the dividend cover is likely to be above five times, so any further weakness after yesterday's 10p fall could mark a good buying opportunity.

### Hanson Trust The strategy still looks right

Hanson Trust is a patient hunter and it demonstrated as much recently by dropping a £25m cash bid for Lindy's at the first sign of a fight. Since then a £16m bid for the US Interstate food group seems to have been sufficient to satisfy the takeover appetite of Sir James Hanson's conglomerate.

As a result of this fall in activity the group's cash balances in the UK have risen to £42m after a year in which pre-tax profits have risen from £19.2m to £24.4m which is much in line with expectations.

Debt, meanwhile, has fallen to £43m—most of it in the US—and although around a quarter of UK funds are pledged against the American borrowings, Hanson believes its transatlantic operations are self-generating despite the cyclical nature of some of its biggest acquisitions.

Hygrade has contributed in its first full year £6.3m out of a total from the US of £15m at the pre-tax profit level, while Caribrook increased its figure by more than a fifth to £5.4m.

So, Hanson seems capable of making a quite sizeable UK acquisition especially as the recent slight upturn in interest rates has done little to increase the logic of cash-holdings.

A series of smaller acquisitions may suit Hanson's strategy best and it has not gone unnoticed that Cosalt, Sellinco and Sidlaw, as well as Lindy's, have all been on the group's share shopping list.

Meanwhile Hanson's share price rose 2p to 150p yesterday at which it still affects reservations about the American growth strategy on a p/e ratio of under 7.3. The yield too is nothing special at 6.1 per cent, but it is the sort of share the market may well latch onto if Hanson is able to maintain this sort of consistency.



● Runsome Hoffman Pollard, whose chairman, Mr John Eccles (above) took over this year from Sir William Barlow the new head of the Post Office, has completed its investment programme—and still there is no sign of any upturn in demand. Nevertheless RHP is in good shape; despite £6.5m of capital spending last year borrowings at £18.2m are only slightly over half shareholders' funds and profits of £5.4m are better than the £5.3m of the previous year and not far short of the 1975 total.

Help has come from the acquisition of MTE an electrical control company, without which profits from the original ball-bearing group would have fallen from £4.15m to £3.94m last year. But given stiff international competition from the Japanese particularly, and static sales volume, that in itself, is a creditable performance.

RHP shares at 54 1/2p yesterday now yield 10.7 per cent on a dividend covered 3 1/2 times while the p/e ratio is only five. A rise in engineering output in the United Kingdom next year therefore, which accounts for 80 per cent of sales would bring the sort of profits which would justify a substantial re-rating for the shares.

But that assumes quite a lot. The hard-pressed competition could prevent the benefits of better volume coming through by price cutting but with productivity gains from the recent investment, RHP is in a stronger position to meet this.

## Business Diary: Changes in the air • Price cuts

Rumours are strong among the 60,000 workers in British Airways that changes are on their way at the top of their executive tree.

They are being brought about by the illness of chairman and chief executive Sir Frank McEldowney, the former Shell chairman, who wishes to break with the state airline, but is being prevented by the Government to give at least a couple of days of his time each week for the present.

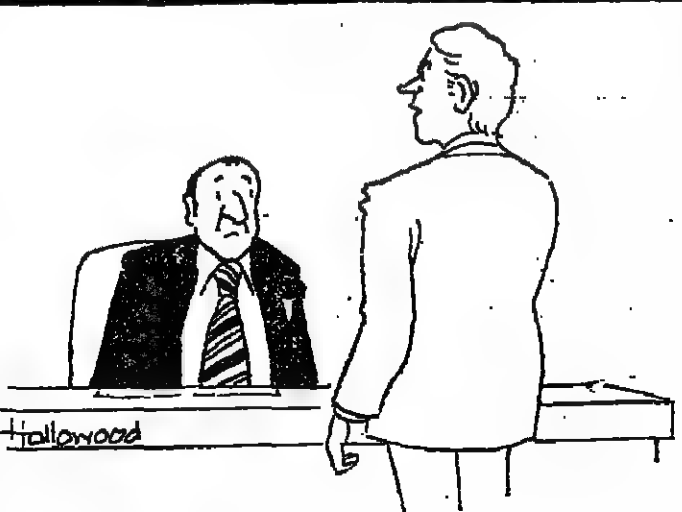
Sir Frank, who had a heart attack in the autumn, is definitely giving up the chief executive post of his job. This will go to Ross Stainton, British Airways deputy chairman, who has been running the airline in the chairman's lengthy absence.

The Government had second thoughts about promoting Stainton after his comments in New York two weeks ago that British Airways would have to buy American airlines because British Aerospace could not come up with them, but this hiccup has now been overcome.

As a career airline man—he began work as a 15 bob-a-week traffic trainee at Croydon airport—Stainton will be a popular man at the top, at least among the old BOAC people in British Airways. He was BOAC's last chairman and chief executive before the merger with BEA in 1972.

He is, however, 63, so the airline, already suffering from a wave of changes at the top in its short history, will be looking for a successor in only 18 months' time.

■ The long-established Sheffield-based Cutlery and Silverware Association is raising an eyebrow, no more, at a move



"Doesn't the fact that I handle the company's fire insurance make me a special case?"

by John Price, head of cutlery Arthur Price of England, to form a splinter organization apparently dedicated to the abolition of all cutlery imports.

To this end the Birmingham-based Price is planning a meeting at Sheffield next week. His main objection, it seems, is that many CSA people are importing cutlery—while at the same time pressing for a 50 per cent cut in stainless cutlery imports over the next five years.

Brian Viner, the CSA's president, freely admits that almost every British manufacturer imports cutlery. "There is no way any manufacturer in the United Kingdom or the western world can compete when he can buy the finished product for the same price as the raw

material here," he said. Less than 30 per cent of imports goes to British manufacturers. The rest goes to discount houses, stone groups and the like.

British manufacturers have only 10 per cent of the home market of stainless steel flatware. The remainder is imported.

For those who sneer at importing British manufacturers, Viner points to Germany, where the manufacturers allowed the stores to import first. The German manufacturers soon found themselves forced into importing. It was the only way they could stay in business.

He thinks that a total ban on cutlery imports, though

The largely unexpected about-turn in interest rates two weeks ago has added an extra dimension to the problems that have been steadily crowding in on the bank credit card companies over the past few months.

Unusually for them, these difficulties have come just at the time when Access and Barclaycard, the two credit card groups run by the major high street banks, had begun to look forward to a more promising future.

After a fairly hesitant entry to the United Kingdom money transmission scene, not helped by the clumsy launch of the Access scheme four years ago, credit cards have now become an accepted part of consumers' spending.

With heavy start-up costs, especially in terms of computers, now mostly covered—and indeed processing costs have virtually halved in money terms in the last three years—both credit card groups have at last started to make handsome profits on the back of this year's slide in interest rates.

Certainly, judged by return on capital employed, the clearers' card operations are now more than able to hold their heads up with the rest of the 'ancillary' financial activities.

While the banks are coy about divulging figures for their credit card operations because they are in such open competition, Barclaycard admits it took five years before it moved into the black and in only four out of its 11 years of existence has it made a profit.

In contrast, Access moved into profits slightly more quickly than its projected five-year gestation and after breaking even last year is thought to be making profits at an annual rate of about 55 per cent.

Barclaycard itself will not cavil at estimates of its own profits of £7.5m this year, though with every quarter point cut in its rate of interest reducing profits by perhaps £2m that level of profitability will not be maintained next year after its two cuts in interest from 2 to 1 1/2 per cent.

But the recent volatility in interest rates has served to cause the card groups rather more headaches. For most of this year there has been mounting pressure on the card companies to drop their rates in line with the general fall in interest rates and, with alternative methods of borrowing like personal loans and hire purchase companies gradually reducing their rates, there has been a real danger of their losing the business they have steadily built up in recent years.

The outstanding debt represented by the credit card groups will rise by a tenth of all hire purchase commitments.

No sooner had the credit card companies responded to the fall in general interest rates than they found that the cost of their money had turned against them. Barclaycard injected a little more competition into the market last month by undercutting Access 18 per cent a month rate by a quarter of a point, but it now finds itself in something of a cleft stick since the cost of its borrowed money has shot up by around a quarter—its borrowings from the parent bank at a margin over inter-bank rates.

Should it decide to raise its rates again it will lose face, so in view of the costs involved in changing rates changes it looks as though Barclaycard will have to stick with its present level unless it finds an excuse

break in the 40-year practice of having the chief executive at the London office.

His successor, Graham Sunderland, whose training has been in the management of the bank's data processing, is to remain in the head office at Leeds and will keep his home at Ilkley, Yorkshire's most stung-about town.

Sunderland's decision that the change has come about through the recognition of the bank's role as a personal, regional bank. The London office will remain an essential part of the operation, particularly serving the branch needs of expatriate Yorkshiremen. Most of these never walk into the Cheapside premises but keep in touch with their money over the phone.

During his 14 years as general manager, Muxlow has had close links with the Square Mile—both as a warden of St Mary-le-Bow and as a backer in, but perhaps not of, the City.

Trust Houses Forte is hoping that Concorde will give a filip to trade at the Summit bar and restaurant on the 14th floor of its St George's Hotel in the West End. The introduction of Concorde services to New York and Singapore means, THF says, "that this unique aeroplane now passes St George's windows on a regular basis". To mark the event, a new Concorde cocktail has been added to the hotel's list of drinks. Consisting of gin, Noilly Prat, orange curacao, orange bitters, lemon juice and egg white, it should, THF adds, be shaken not stirred. By bartender or loquacious plane is not specified.

## Credit cards: discovering what the future holds

### Ronald Pullen discusses factors which are inducing the credit card companies to reassess their operations

In sharply rising interest rates. That at a time when the banks are so busy with their own credit card operations, which has so far not followed Barclaycard's lead on rates, since the latter has only recently begun to raise its rates, it is a significant loss of business in the important Christmas period. At present it is taking a fairly relaxed view, on the argument that its customers are fairly inelastic and small differences in rates and with only 16 to 17 per cent of the 6.7 million cardholders in this country holding both cards there is little immediate risk of a loss of business.

Where the different interest rate structure could start to have an effect is in attracting new holders, since there will be a tendency for them to move to Barclaycard in preference to Access—though the borrowing profile of members is such that existing cardholders tend to have more debt outstanding than new recruits.

What the credit card companies are also indicating, however, is not so much differing views on interest rates as a new stage in the development of cards in this country. To date, credit cards have been regarded, even in the banks themselves, as a purely banking operation with insufficient attention being paid to the marketing implications.

Today, with most of the banking systems now working well, many now argue that the next hurdle is a purely marketing one. Tacit recognition of this seems already to have been made by National Westminster, which has decided to keep the core of its marketing operation in London rather than shift out to Southend lock, stock and barrel as the other members of the Access group have done.

This is largely because it feels the need to keep in closer touch with the branch network, its main conduit for attracting new customers.

Problematic as interest changes are, the card companies are nevertheless happy enough with their penetration of the money transmission market. Credit card purchases are running at more than £1,000m a year, roughly equalling the £1,000m a year of the value of all money transactions.

Over the next 10 to 15 years the companies are confidently predicting that this proportion will rise to 21 per cent.

As they have already done in the United States, the cards have begun to permeate down the social scale and the companies are increasingly having to advertise to overcome traditional working class reservations about bank credit.

For all that, developments this year could still force fundamental changes in the way the credit card companies operate. Most important has been the Monopolies Commission investigation into the relationship between the card companies and their retail outlets.

This was largely prompted by criticisms of garage owners, who claimed that the card companies were operating a monopoly by forcing them not to discriminate against card holders.

While neither side is likely to

### Economic notebook

## The snake has another attack of hiccups

The past week on the foreign exchange markets has had the familiar look of one of the old westerns that television stations serve up on public holidays. The flow of funds out of the dollar has concentrated once again on the Deutsche mark.

The West German Federal Bank's efforts at intervention have been only partly successful in stemming the mark's upwards movement. As a result the 'snake', or rather what remains of the European currency 'float', has developed acute pains in its stomach and back as the mark has moved to its upper intervention points and the Dutch guilder, Belgian franc and Danish and Norwegian crowns have fallen to their floors or thereabouts against the German currency.

As at various times in the past the West German government has felt obliged to promise on developments in the foreign exchange market. This time it fell to Dr Hans Apel, the Bonn finance minister, to declare on Tuesday that the dollar's fall against the mark was not justified, that Bonn would stand by the 'snake' and that this reminder of plans for European economic and monetary union represented 'an important economic and political stabilizing factor' for its participants and other countries not directly involved with the scheme.

Dr Apel can produce fairly convincing arguments to support the view that the dollar is at present undervalued against the mark and, if he accepts this thesis, it is easier to understand the West German Government's political decision to stand by the snake.

But in the snake today an important economic and political stabilizing factor as Dr Apel claims? Not only does it seem to slide into crisis every four to five months, but it seems that the methods of intervention used by the snake central banks over the past week helped to fuel the flow of dollars into Frankfurt.

According to the foreign exchange market certain of the smaller snake central banks, in particular the Belgian National Bank, were busy selling dollars on the market at the same time that the Federal Bank in Frankfurt was intervening by purchasing dollars on a large scale to prevent the United States currency falling too sharply against the mark.

The action of the smaller banks was logical to the extent that it helped to lift their currencies and keep them within range of the mark, but unhelpful in that the dollars, sold in Brussels and Amsterdam presumably found their way in Frankfurt and sooner rather than later.

The West German Federal Bank once wrote that dollar interventions by the partners in the snake were intended mainly to maintain 'orderly conditions' on the dollar market. Increasing the flow of

hot money into the mark appears a peculiar way of fulfilling this aim.

In fairness one must point out that if the intervention within the snake had been limited to the buying and selling of member currencies at the respective intervention points, the Federal Bank in Frankfurt would probably still have ended up with an increase in its dollar reserves.

But the increase would have been part of an orderly transfer of funds from the currency reserves of the smaller central banks to the Federal Bank through the European Fund for Monetary Cooperation. It could not take place until the end of January next year at the earliest, by which time the present bout of currency unrest might have been a thing of the past.

If the methods used to regulate the snake are peculiar, so is the institution itself. Since Sweden left at the end of August the two remaining Scandinavian members, Norway and Denmark, have increasingly looked the odd men out. Norway and Denmark depend more on the Swedish export market than that of West Germany and since August have had to watch Sweden entering a downward spiral of currency depreciation and inflation, while their own currencies have remained pegged against the mark in the snake.

### Domestic policies

The governments in Oslo and Copenhagen regard the flow as a valuable disciplinary corset for their domestic stabilization policies. But as inflation in Norway and Denmark (at 9.4 per cent and 16.1 per cent in the 12 months to September) is nearer to the Swedish level of 13.4 per cent than West Germany's 3.7 per cent, it is not surprising that industrialists and bankers in the two Scandinavian snake countries have been urging the withdrawal of the Norwegian and Danish crowns from the joint float.

The relationship between the Benelux states and West Germany appears more stable. Germany is their major trading partner and their inflation rates (6.3 per cent in the Netherlands and 6.5 per cent in Belgium) are not so greatly out of line with Germany's 3.7 per cent.

Paradoxically, the present weakness of the dollar probably provides the best argument for holding on to the snake, despite its contradictions and peculiarities.

Monetary officials in Europe are now openly saving that the decline in the dollar's value over a good deal to the nationalist monetary policy of the United States.

The break-up of an international institution like the snake would be a poor advertisement if the United States is to come under increased European pressure to cooperate more closely in international monetary affairs.

Peter Norman

### BLACK DIAMONDS PENSIONS LIMITED (A company wholly owned by the National Coal Board Pension Funds)

## Offer for the Ordinary Shares of THE BRITISH INVESTMENT TRUST LIMITED

The Offer expires at

3 p.m. on Monday, 12th December, 1977.

If the Offer succeeds, accepting Ordinary Shareholders will be entitled to receive for each of their Ordinary Shares of The British Investment Trust Limited:

a guaranteed minimum cash price of 165p

or,

if the formula value is higher on 12th December, 1977,

a higher cash amount.

Neither the guaranteed minimum cash price nor the formula value of the Offer will be open for acceptance after 3 p.m. on Monday, 12th December, 1977 even if the Offer becomes or is declared unconditional.

Accordingly Shareholders who have not yet accepted are urged to do so without delay.

This statement has been issued by S. G. Warburg & Co. Ltd. on behalf of Black Diamonds Pensions Limited. The Board of Black Diamonds Pensions Limited has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and all the Directors jointly and severally accept responsibility accordingly.



## GUILDHALL PROPERTY COMPANY LIMITED

Salient points from the Accounts and Statement by Mr. R. W. Diggins, OBE, the Chairman

- Progress during the year to 30th June, 1977, has been much as forecast. Rents receivable rose by 11.8% to £718,000 and profit before tax showed an increase of 14.5% to £545,000. Reserves also showed an increase of just under 10% to a figure of £1,422,000.
- During the year we re-let on satisfactory terms two factories, vacant at this time last year. We are currently carrying out improvements to one factory prior to re-letting and negotiations are already in progress with an intending tenant. Apart from this we had no other voids at the year end.
- At the end of the financial year we had three residential properties which have since been sold for £853,000. After providing for taxation our capital reserve will be increased by about £58,000. We intend to re-invest in property similar to our main portfolio, and hope to show a better and improving return for a less onerous liability.
- Since my statement last year there have been some slight improvements in the general business climate, but it is still difficult to predict our fortunes. After taking account of increases in the rent roll of the industrial properties and consequential adjustments arising from the sale of the residential properties, I anticipate a pre-tax profit of about £575,000. This would be sufficient after tax and dividends (increased by the presently permitted 10%) to provide retained profits similar to this year and take our total reserves over £1½ million.

Comparative results	1977	1976	1975
Rents receivable	£718,000	£642,104	£585,414
Profit before tax	£544,835	£475,458	£410,853
Profit after tax	£279,775	£239,579	£216,365
Profit retained	£121,814	£96,583	£84,329

## FINANCIAL NEWS

### Strong going by HP offshoot helps N Foods top hopes

While not maintaining the strong growth of the previous two years, Northern Foods, the Hull-based liquid milk, baking and brewing group, has nevertheless managed to beat expectations with pre-tax profits rising 18 per cent to £17.9m.

These have been slightly swollen it is true, by the inclusion of Fox's Biscuits for four months, worth some £5m to turnover and £250,000 to earnings, and a £300,000 profit on the sale of its Tollemeche & Cobbold stake. But against the background of declining milk sales, what the group has lost in the 2½ per cent volume drop (against 3 per cent nationally) it has made up for in price rises, to leave liquid sales some 7 per cent ahead.

For the rest, with milk manufacturing under margin pressure, milling and baking barely ahead and brewing affected by the poor summer, it has been left to the hire-purchase subsidiary to provide most of the momentum. Here lower interest rates and increased business have resulted in a 45 per cent advance to £1.45m.

For the current year, milk



Mr. Nicholas Horsley, chairman of Northern Foods.

sales which account for three-fifths of total turnover are picking up, although a question mark is posed by the implications of the possible changed status of the Milk Marketing Board from the start of next year, baking is shaping up well and business in the HP group is 50 per cent ahead. With interest costs falling, too, Northern Foods looks to be heading for £21½m in the current year.

### J Williams' rights in leap to over £900,000

By Bryan Appleyard

John Williams of Cardiff, the steel stockholders, foundry and building products group, announces a £567,000 rights issue and pre-tax profits up from £744,000 to £911,000 in the year to September 30.

The profits growth was achieved with turnover up from £16.7m to £18.4m and the board reports that all three divisions increased their profits.

The rights issue offers three new shares for every eight existing and is pitched at a price of 30p. It coincides with the news that the Welsh Development Agency is investing £1m in a new Williams foundry subsidiary. In addition another £800,000 is now available in grants.

The board say these developments put the company in "an extremely strong position" and they have consequently obtained Treasury permission for a dividend increase for the current year from 3.3p to 4.17p gross.

STENT WALKER

New shopping development, Oxford Walk on site of old Woolworth's at 150-154 Oxford Street, W.1, almost 80 per cent let.

### Wagon Ind up 25pc though margins slip

By Michael Clark

Shropshire-based Wagon Industrial Holdings turns in a 25 per cent increase in pre-tax profits to £1.5m for the six months to September 30.

Turnover of this storage systems, wagon repairing, plastics, hydraulics and road signs group, expanded from £12.6m to £16.1m while margins slipped slightly from 9.7 to 9.6 per cent. Earnings a share are 8.0p against 6.5p and the directors declare an interim dividend of 4.5p gross compared with 3.7p. The directors also expect at least to maintain last year's final dividend of 6.6p gross.

Wagon's results also include a contribution from newcomer Antocks Laird Group, which designs and makes quality furniture for commercial and industrial use with operating subsidiaries at High Wycombe

and Sheerness. This contribution amounted to a turnover of £892,000 with profits amounting to £117,000 for the 14 weeks from June 15.

In September, Mr. Charles Smith, group chairman, said in his annual statement that after last year's setback he believed the group would resume its forward progress in the current year. Now in his statement with the latest figures, Mr. Smith says the first-half results show the expected improvement. This encouraging performance was achieved during a time when the expected resurgence in market demand failed to appear.

In spite of this situation and without hope of any marked change in the short term, Mr. Smith believes the final profits of the group will reflect a substantial improvement over those of last year.

### Malayalam stays cool

By Desmond Quigley

Malayalam Plantations (Holdings), which is fighting off a 23p share bid from McLeod Russel, says that the value of the bid is only equal to the group's United Kingdom assets and the potential remittances of earnings from India for last year and the current financial year.

Mr. Frederick Harper, chairman of Malayalam, said the company was waiting permission for the repatriation of £1.6m in relation to last year's profits. On the assumption that this year's profit is not very dissimilar to last year's and was fully remitted, the bid did not place any valuation on the company's Indian assets. Among the United Kingdom assets is Malayalam's 2.3 per cent holding in Harrison's Malaysian Estates.

## Briefly

### West Rand final higher than hoped

West Rand Consolidated, a gold and uranium which is receiving state assistance, has doubled its final dividend to 10 cents a share—considerably higher than most estimates.

Buffelsfontein, another mine in the General Mining Group, has raised its final from 40 to 60 cents, making a total distribution of 150 cents against 90 cents. Buffelsfontein has maintained its dividend at 11 cents. The coal companies, Clydesdale and Trans-Natal, have also both increased their dividends.

LOAN TO PORTUGAL

The Exports Credits Guarantee Department has provided the guarantee of repayment and funding for a \$5.1m loan which Barings Brothers Co. Limited, acting on behalf of the Bank of Scotland, has made available to Petroleos de Portugal E.P. (Petrogal) of Lisbon. The additional contract is for the supply of materials and services for an extension to the oil refinery at Sines, 90 miles south of Lisbon.

DIMPLEX INDUSTRIES

Receiver has succeeded in selling part of assets and business of main sub, Dimplex Ltd to Glean Electric. But already clear that assets will not allow any payment to shareholders.

PROVIDENT LIFE

Reversionary bonuses for 1977 on with profits policies in the Participating Fund at same rates as in year before.

CITY HOTELS GROUP

Company selling Moonana Hotel, Gloucester Road, London for £425,000 cash. In first 46 weeks of year Moonana made £47,000 before interest and tax.

BARNAGORE JUTE

Accounts for year to March 31 delayed. Annual meeting convened for Dec 29 to conform with Companies Act will have proposal for adjustment. Accounts will be sent out at least 21 days before adjourned meeting.

LOW & BONAR

To increase potential of Bumburck Offshore, owned jointly by Low & Bonar, and Lumberbrook Group, Lincoln, half capital bought by Sir Robert McAlpine. Company to be called McAlpine Bumburck.

## Union Corporation Group Gold Mines

Points made in the Statements by the Chairmen Mr. E. Pavitt and Mr. L. W. P. van den Bosch

- Increased fabrication demand and weaker dollar strengthen gold market.
- 1978 gold outlook improved following removal of restraints on central banks.
- 11 shift fortnight and high labour turnover reduce productivity.
- Emphasis continues on better utilisation of men and machines.

### Results for the year ended 30th September 1977 (compared with results for previous year)

Name of Company	Tons Milled '000	Gold produced Kg	Net Profit R'000	Dividends cents per share	Tons '000	Value gms/ton
Bracken	866 (1,018)	6,010 (7,887)	4,133 (5,738)	25 (35)*	1,400 (1,700)	8.7 (9.3)
Kinross	1,490 (1,484)	11,394 (11,122)	9,255 (12,752)	34 (32)	4,900 (5,300)	9.3 (9.3)
Leslie	897 (1,230)	4,221 (5,677)	604 (2,479)	3 (14)†	1,800 (2,300)	7.4 (7.0)
St. Helena	2,090 (2,260)	21,345 (26,052)	24,976 (34,828)	115 (170)	7,700 (9,300)	16.1 (14.8)
Winkelhaak	2,025 (2,015)	15,895 (15,416)	12,900 (11,667)	86 (76)	6,300 (6,700)	10.4 (9.4)

One reserves are those calculated at a gold price of R4,200 per kilogram (U.S. \$150 per ounce) for 1977; R3,500 per kilogram (U.S. \$125 per ounce) for 1976.

\*Includes 10 cents capital repayment †Includes 5 cents capital repayment

### Kinross Mines Limited

During 1976 the No. 2 shaft was commissioned. The equipping of stations from 12 to 15 level is now complete but development has been hampered by intersections of water. Following extensive cementation operations the quantity is decreasing and encouraging progress is now being made. The first intersection of reef should be made during April 1978. The higher pay limit due to higher working costs has resulted in lower ore reserve estimates than in previous years. However, now that No. 2 shaft has been completed development on reef in the area will improve the reserve position and considerably increase the life of the mine.

### Winkelhaak Mines Limited

Development from No. 2 sub inclined shaft on 17, 18 and 19 levels has encountered severely faulted ground but has nevertheless made good progress. Further to the north-east, some 3,000 metres from No. 2 shaft in the area under option from U.C. Investments, a surface borehole intersected the Kimberley Reef at a depth of 2,066 metres with an average value of 20.9 grams per ton over a width of 24 centimetres. Development values in the northern block have matched expectations and continue to be encouraging. Three prospect winzes are being sunk in order to test the extent of ore reserves below 22 level in the No. 5 shaft area.

### Leslie Gold Mines Limited

The directors have given the Minister of Mines the required statutory three months' notice of the possible closure of mining operations. However, it is intended to continue operations for as long as possible. An application has been submitted to the Government Mining Engineer for classification as a State assisted mine, but as yet no reply has been received. Such assistance could result in an extension of the profitable life of the mine.

Taking into account the continuing increase in costs and the low grade of ore reserves, it is probable that the directors will have no alternative but to discontinue mining operations in the coming year should State assistance not be granted.

### Bracken Mines Limited

Taking account of the continuing increases in costs, the dwindling reserves of ore and the fact that development is at a minimum, it is estimated that the mine will continue production for approximately two years. As there are only minimal amounts of marginal ore available, even if the gold price should stabilise at a price of \$160 per ounce, the life of the mine is unlikely to be extended.

### St. Helena Gold Mines Limited

As indicated in last year's statement operations moved into lower grade areas to the east and south which, being deeper and hotter, were more difficult and costly to work. The pillars in the older areas yielded a higher grade but a limited tonnage. The consequences have been a reduced gold output through lower grades and reduced tonnage. In the last few years St. Helena has moved from being a high grade to a medium grade mine and in future will be considerably more sensitive to fluctuations in the price of gold and increases in costs.

The new reduction works is operating satisfactorily and since March 1977 has been treating ore from underground.

### Unisel Gold Mines Limited

At the end of the financial year the shaft had reached a depth of 1,940 metres below surface which is 37 metres short of the final planned depth. Work on surface has progressed satisfactorily and the railway line to the St. Helena reduction works has been completed.

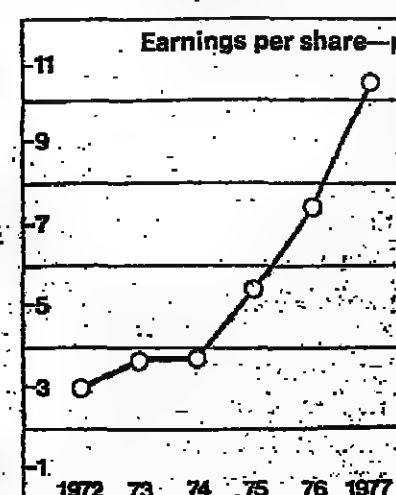
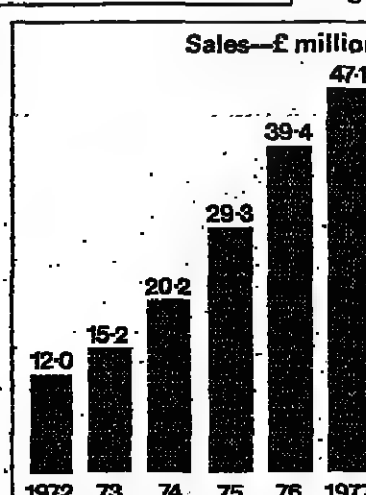
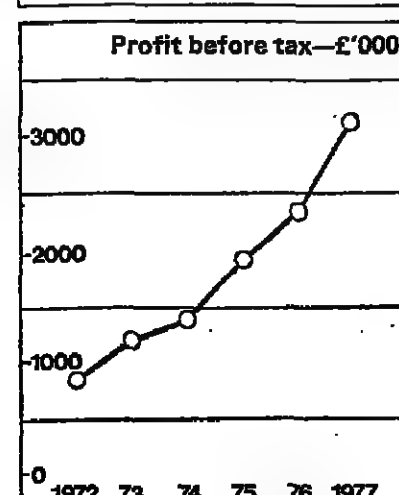
During the past year underground progress has fallen further behind schedule, partly due to difficult ground conditions on 9 level. The revised programme calls for the equipping of the shaft to be completed by the end of June 1978 and development to commence thereafter. Trial stoping is planned for the first quarter of 1979 and full production for November 1979. This delay, together with the continued high rate of inflation, has increased estimates of capital expenditure to some R73 million. It is intended that the additional funds will be raised as loans. This figure excludes certain items, estimated at approximately R11 million, which will be financed out of working profits.

Copies of the full reports of the gold mining companies (all of which are incorporated in the Republic of South Africa) for the year ending 30th September 1977 are available from the London Secretaries, Union Corporation (U.K.) Limited, 95 Gresham Street, London, EC2V 7BS.

## Newsagents Limited

6 years of unbroken profit growth

	52 weeks to 2/10/77	53 weeks to 3/10/76	Growth
	£000	£000	%
Sales	47,089	39,378	19.6
Pre-tax profit	3,164	2,371	33.4
Net profit after tax	1,777	1,259	41.1
Earnings per share	10.51p	7.44p	41.3



The annual report will be posted to shareholders on 20th January, 1978, after which date copies will be available from the Secretary, NSS Newsagents Limited, Ryde House, Chobham Road, Woking, Surrey, GU21 1JQ.

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## FINANCIAL NEWS AND MARKET REPORTS

## Stock markets

## Economic cheer for equities and gilts

Better news on government borrowing, the money supply and inflation brought an early note of optimism to the equity and fixed-interest markets.

In both markets most of the business was transacted in the first two hours of trading though for both there was still a majority of plus signs by the end of the day.

Long-term gilts quickly went ahead by as much as five-eighths of a point enabling further sales of the long "rep" which rose one-eighth to 90.25. Dealers described the buying as reasonable and by the close most stocks were still a quarter to three-eighths ahead with the bank lending figures as a sustaining factor.

But the early exhaustion of the short "rep" at 94.75 subdued that end of the market as dealers contemplated the prospect of a replacement later in the week. Closing losses were around one-eighth of a point, most stocks having been one quarter better than their earlier.

The FT Index was up 5.5 by 11 am as investors took some limited encouragement from the background of economic news.

Thereafter interest dwindled with today's meeting of the miners' executive keeping investors on the sidelines. At 4.55, the index was 3.3 better by the close.

Along the big-name industrial shares Pilkington dipped 3p to 473p after a cheerless trading statement with EMI continuing to reflect its own problems and losing another 5p to 182p.

GEC, on the other hand, gained further strength from its surprisingly good figures of the previous day, gaining another 8p to 261p with Unilever up 12p to 550p in the hope that a link with National Starch will enable it to boost its dividend.

Burton "A" rose 4p to 83p as the expected loss was discounted and dealers took heart from a rather better than expected forecast. Other big names to score good gains were ICI, where the rise was 7p to 370p, and Beechams which ended 8p to the good at 648p.

Trust & Agency returned after the offer from Charterhouse Japhet to end at 161p, up 13p, while demand in a thin market helped Jefferson Smurfit to rise 6p to 176p. The lack of further takeover news

lowered Federated Chemical 3p to 73p.

In the building sector Armitage Shanks eased a penny to 67p after figures, while BFB were 3p to the good at 240p after news of the freeing of plasterboard sales. In front of figures due today International Timber was supported at 119p, a gain of 4p. Dividend news lifted Irish Distillers 11p to 95p while Low & Bonar were raised 6p to 168p by news of an off-shore deal.

The banking figures lifted the clearers with gains of 3p from Lloyds at 285p, National Westminster at 285p, and Barclays at 335p. Figures from Phoenix did little for the shares at 262p in a subdued insurance sector. Equity turnover on December 6 was £77.61m (12,995 bargains).

According to Exchange Telegraph active stocks yesterday were GEC, BAT, Ind, ICI, EMI, Shell, BP, Commercial Union, Reed International, GKN.

Thus W. Ward rested at 53p but Tunnell Cement wherein Ward has nearly 30 per cent, rose 6p to 252p. Only a week ago they were less than 230p. One or two brokers are suggesting that the time for a Ward divestment may be drawing near. This is a story that has been heard before and like other stories of its kind, it is taking time to come right.

Tube Inv, Pilkington Bros, Mills & Allen, Northern Foods and Guinness.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
	£m	£m	per share	pence	date	total
Int or Fin						
A'sage Shanks (T)	18.5(15.8)	0.92(0.92)	1.58(1.35)	1.58(1.35)	8/4	—(1.4)
Atwood (I)	2.3(1.9)	0.02(0.02)	0.05(0.04)	—	—	—
Bird (Africa) (F)	—	0.10(0.03)	—	—	—	—
Bullestite (I)	—	—	—	—	—	—
Burton (F)	—	—	—	—	—	—
Coatite (I)	30.2(25.8)	5.06(2.44)	11.06(6.54)	0.9(0.6)	24/2	1.5(2.14)
Control Secs (I)	—	6.5(4.9)	—	0.93(0.34)	—	—(0.7)
D.A. Devcon (I)	12.5(12.8)	0.02a(0.07a)	0.54a(2.0a)	—	—	—
Emalton (F)	1.6(1.3)	1.4(1.3)	18.9(17.2)	2.9(2.8)	26/1	5.3(5.3)
Eag Card (I)	9.0(7.9)	0.07(0.05)	5.31(4.18)	2.9(2.9)	30/1	4.4(4.4)
Gresham Rise (I)	4.7(5.7)	0.46(0.17)	5.26(5.0)	1.13(1.0)	—	—(2.6)
Hamson Ltd (F)	477.0(332.0)	0.08(0.12)	20.3(15.1)	1.40(1.40)	3/2	6.2(5.6)
Heather (F)	4.7(5.7)	0.55(0.39)	5.6(4.0)	1.0(1.0)	10/1	—(1.0)
Keen & Scott (F)	0.48(0.65)	0.05(0.01)	8.6(3.1)	Nil(Nil)	—	—
Leaderfish (I)	1.0(0.87)	0.02(0.019)	—	—	—	—
Nitin Foods (F)	232.3(206.9)	17.9(15.1)	11.84(9.97)	2.10(1.78)	24/2	3.10(2.78)
NSR News (F)	47.0(39.3)	3.1(2.3)	10.51(7.44)	1.4(1.3)	14/2	2.1(1.9)
Pahang Cons (F)	—	3.25(0.87)	—	2.5(2.5)	—	3.75(2.5)
Phoenix Ass (F)	—	27.5(16.2)	26.2(13.2)	—	—	—
Pilkington (I)	221.7(191.4)	29.6(27.5)	28.2(20.8)	5.76(5.1)	3/1	—(10.4)
Procs Secs (I)	—	0.05(0.04)	—	0.90(0.75)	—	—(2.5)
Ransome Bld (F)	84.9(78.3)	2.6(2.4)	8.6(8.3)	4.0(4.0)	27/1	3.6(3.4)
Russell Bros (I)	0.95(0.61)	0.04(0.009)	—	1.0(3.8)	—	—(3.8)
Shaw & Merv (I)	0.83(0.75)	0.01a(0.02)	—	Nil(0.35)	—	—(0.7)
Silfontene (F)	—	—	—	11(11)	—	22(22)
Tunnell Cement (I)	—	—	—	4.0(4.0)	—	—(3.1)
Vic Carpet (I)	6.0(4.8)	0.01a(0.02)	—	0.43(0.43)	23/2	—(1.4)
Wagon Inds (I)	16.1(12.5)	1.5(1.2)	8.0(6.5)	3.0(2.5)	24/3	—(6.8)
J. W. Wasall (I)	0.80(0.73)	0.02(0.02)	—	0.2(0.2)	11/1	—(0.4)
West Rand C	—	—	—	10(5)	—	13(10)
Whitson (F)	49.3(41.4)	3.4(2.8)	—	2.8(2.8)	28/1	4.6(4.12)
Whitway Wate (I)	5.7(4.7)	0.28(0.20)	—	0.35(0.27)	6/1	—(0.7)
J. Williams (F)	18.4(16.6)	0.91(0.74)	8.57(7.13)	1.39(—)	—	2.19(1.57)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.515. Profits are shown pre-tax and earnings are net.

## Fear of coal shortage stokes Coalite

By Alison Mitchell

Fear of a possible miners' strike has helped to boost interim profits at Coalite & Chemical Products.

In the half to September 30 last, group turnover rose 17 per cent from £25.5m to £30.2m lifting pre-tax profits from a previous £5m to £5.5m.

Solid fuel sales showed a 10 per cent volume growth compared with last year's depressed

levels, according to Mr Charles Needham, managing director. The prospect of industrial action by the miners coupled with a poor summer contributed to this rise as did the restocking of the depleted winter fuel levels.

There was a small price increase at the beginning of April but this was all but discounted by the summer rebate. Although this ended on October 1, margins are unlikely to be influenced in the second half because

of a corresponding increase in the price of coal.

Coalite now has more production capacity operating than at the corresponding period, and, although not running flat out, Mr Needham is confident that the upward trend will be continued.

In the meantime, oils and chemicals continue to make a substantial contribution to group profits.

The group has not yet had

any pay-off from its North Sea oil interests. Coalite has a 5.88 per cent interest in Sishene Oil and Gas (UK) which itself has a 4 per cent stake in the Brae Field. And Mr Needham estimates that this holding is worth about £2m to the group.

Although making no forecast for the full year he does envisage a further increase, with the inclusion of recently taken over Charringtons Industrial Holdings.

## The Royal Bank of Canada.

## Statement for the fiscal year ended October 31, 1977.

Canada's leading international bank, with over 1,600 branches, representative offices, subsidiaries and affiliates in over 40 countries throughout the world to handle your international banking requirements.

## Condensed Statement of Assets and Liabilities as at October 31, 1977

Assets	1977	1976
Cash resources	\$ 7,165,038,541	\$ 6,239,013,015
Government and other securities	3,403,063,570	3,185,296,411
Loans, including mortgages	21,819,176,461	17,825,430,346
Bank premises	413,273,134	332,448,851
Securities of and loans to corporations controlled by the bank	235,494,886	118,573,805
Customers liability under acceptances, guarantees and letters of credit	1,289,091,017	1,108,076,701
Other assets	25,196,946	22,746,378
	<b>\$34,350,334,355</b>	<b>\$28,831,585,507</b>
Liabilities		
Deposits	\$31,379,574,005	\$26,290,830,731
Acceptances, guarantees and letters of credit	1,289,091,017	1,108,076,701
Other liabilities	166,548,859	141,829,201
Debentures issued and outstanding	353,881,000	270,000,000
Accumulated appropriations for losses	306,663,889	289,946,727
Capital, rest account and undivided profits	854,229,585	730,902,147
	<b>\$34,350,334,355</b>	<b>\$28,831,585,507</b>

(All figures are in Canadian dollars)

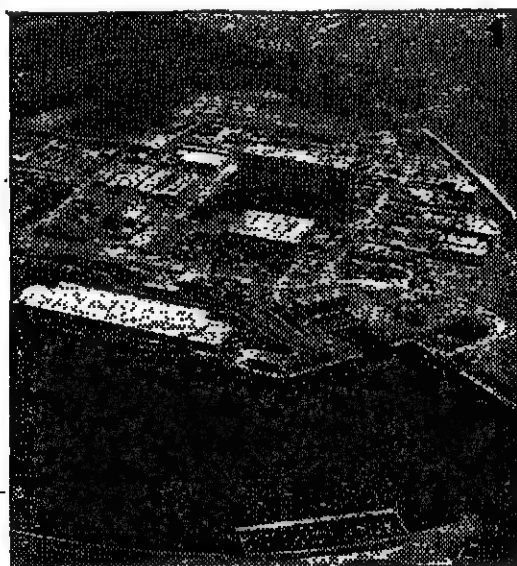
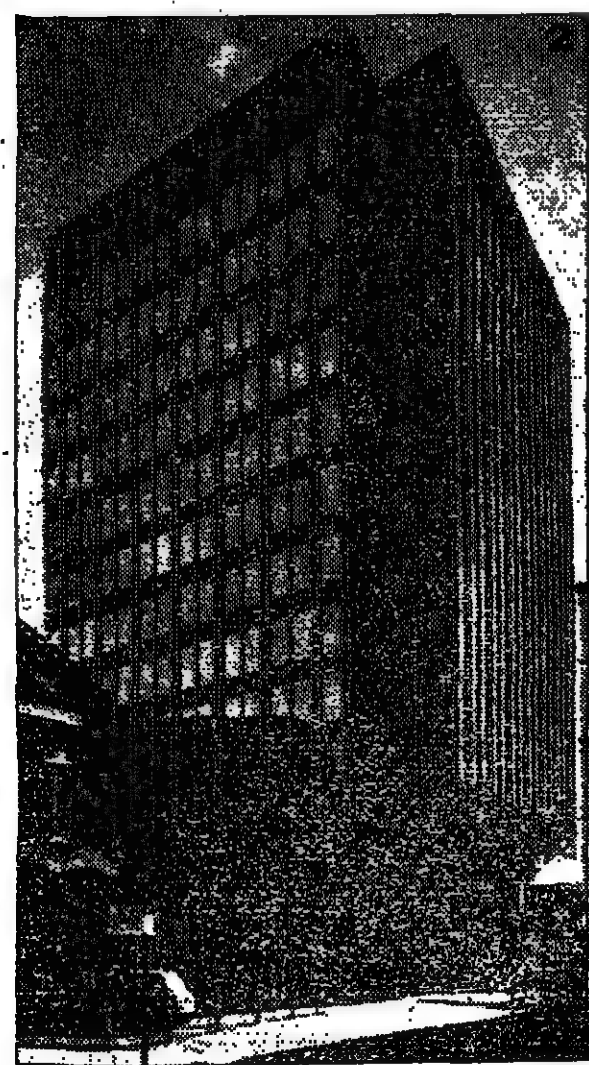


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Rowland C. Frazee, President  
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A. R. Taylor, Senior Vice-President and General Manager, International

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3. A mill and office complex at Wakefield for Pilon and Baldwin Ltd., designed by Taylor Woodrow in collaboration with the client's own architects and engineers. Design and installation of electrical equipment by the M & P division of Taylor Woodrow.



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If you would like to know more about us please contact: Edward W.M. Page, BSc, MICE, Taylor Woodrow Construction Limited, 345 Ruislip Road, Southall, Middlesex UB1 2QX. Tel: 01-578 2366. Telex: 24428. Or, for overseas: Donald H.M. Venus, AMIMM, Taylor Woodrow International Limited, Western House, Western Avenue, London W5 1EU. Tel: 01-997 6641. Telex: 23503.



# Carclo

## Summary of Results

Year ended 31st March 1977	Unaudited Six months to 30th September 1977	1976
7,849	Turnover £000	4,192 3,626
946	Profit before tax £000	425 381
11.30p	Earnings per Ordinary share of 25p	5.00p 4.30p
2.68p	Dividend per Ordinary share of 25p (net)	1.52p 1.33p
4.2	Dividend cover (times)	3.3 3.2

## Statement by the Chairman Sir Robin Brook, C.M.G., O.B.E.

"I am pleased to be able to report that we have earned good profits for the six months to 30th September 1977, as compared with the first half of the previous year. Business has continued at a satisfactory level and although some of our competitors are still short of orders, as a Group our order book is considerably higher than at this time last year."

Copies of the 1977 Report and Accounts may be obtained from the Secretary, Carclo Engineering Group Limited, Highdown Road, Cleckheaton, West Yorkshire BD19 5JU. Telephone: 0274 875700.

## BREMNER & COMPANY LIMITED General Warehousemen

### STATEMENT FOR HALF YEAR TO 31st JULY, 1977

The Directors have declared an Interim Dividend of 1.015 pence per share (1976—1 pence per share) which, together with associated tax credit, is equivalent to a gross dividend of 6.15% (1976—6.15%). This dividend will be paid on 26th January, 1978 to shareholders on the Register of Members at 23rd December, 1977.

The results for the Half Year to 31st July, 1977 based on unaudited Accounts are:—

	1977	1976
Profit before Taxation	195,777	237,793
Deduct: Taxation	104,622	126,500
Net Profit after Taxation	91,155	111,293
Less: Interim Dividend	56,028	55,200
	35,127	56,093

The tax charge for the current half year is calculated at 52% (1976—52%). The provision shown is the total estimated tax liability of the Company. Advance Corporation Tax already paid during the period is £79,622 (1976—£77,280).

The amount of interest earned in the period under review was £63,769 and due to the fall in interest rates compared with the previous year, the amount for the full year will be significantly less than last year's total. Whilst turnover had been maintained, less favourable trading conditions together with rising costs have had an adverse effect upon profits for the first six months. It will depend, therefore, upon the extent of the Christmas trade whether the fall will be minimised.

BREMNER & CO., LIMITED  
44 Glasford Street, Glasgow G1 1JW

## FINANCIAL NEWS

### Whessoe aims still higher after 20pc advance to over £3.4m

By Tony May

With the exception of the light engineering side, Whessoe has kept up the pressure over the year to September 24 and has beaten last year's record pre-tax profit with a near-20 per cent jump to £3.4m. A fine order book and improved margins pushed up profits by 42 per cent at half-time, and Lord Erroll, chairman, said that a bumper result for the year was on the way. This home was fulfilled with a leap of 96 per cent in profits for the second half, which brought in £2.17m.

The group managed a 20 per cent rise in sales with margins holding steady at 6.8 per cent. New orders were about £2m better than last year's record £80m and were more evenly spread. Lord Erroll says that the current year has started with a much improved order book. With this in mind, and with the important reservation about the prospect of new off-



Lord Erroll, chairman of Whessoe.

shore work, he believes that the current year will show "some further increase" in pre-tax pro-

fits. He also sees a greater probability that the coming year will bring a resumption of ordering for nuclear power stations and looks for further opportunities for the group here.

Over the past year the bulk of profits was again brought in by the heavy engineering side. Pre-tax profits went up 22.6 per cent to £2.38m. At half time this section had attracted over 70 per cent of new orders, which were already ahead of the £27.6m brought in for the whole of the previous year.

The Alton division has also done well, with profits rising 22 per cent to £1.7m. The light engineering division ran into more difficult trading conditions, and its profits fell 28 per cent to £2.23m. The shares were unchanged at 94p on the results, so the gross dividend of 6.96p, up from 6.34p last year, gives a yield of 7.4 per cent.

### English Card hopes based on final stage

English Card Clothing dropped 5p yesterday to 90p after a slight fall in pre-tax profits at £1.01m in the six months ended October 1. Earnings a share came out at 5.2p against 6p a share after a rise in domestic tax from £81,000 to £100,000 and a £9,000 fall in the overseas liability to £547,000. Minorities were £301,000 against £350,000.

The board, headed by Mr Simon Rothery, estimates that second-half profits will exceed those of the first although, if English Card is to match the previous profits level, it must reach at least £1.83m in the October-March period.

The interim dividend is stepped up from 1.515p to 1.712p gross a share.

### Leaderflush profit but cash is needed

A return to profits at Leaderflush (Holdings) is accompanied by the bad news that structural defects at the group's factory and the need to generally modernize plant will require an injection of capital. It is possible that the group will need to provide for a complete removal to new premises when the present lease expires in 1980. The board is therefore on the lookout for additional capital "to support the company's continued activities".

Meanwhile a loss of £19,000 has been turned into a trading profit of £20,000 for the six months to June 30 on turnover of 14 per cent up at £1m. There is again no dividend.

### Phoenix shares in uptrend

By Richard Allen

The general recovery trend in underwriting results is reflected in latest figures from Phoenix Assurance.

After being around 40 per cent up at the interim stage, the pre-tax profits improvement has increased to 70 per cent for a total of £27.5m at the nine months' stage covering the period to September 30.

The figure has been helped by an increase in investment income from £22m to £26.3m, but on the underwriting side the fire, accident, marine and avi-

ation accounts have turned in a profit of £0.8m compared with a loss of £6.2m last time. Phoenix reports that United States underwriting results have shown further improvement in the third quarter, showing profits of £900,000 against a £4.8m loss.

The UK fire and accident business loss of 0.5m compares with £0.2m previously but is still a better result than that of the half-year. Canada and Australia remains profitable but significant losses continue to be reported from Belgium and Holland.

### Business appointments

#### Lord Farnham for Avon Rubber chair

Lord Farnham, chairman of Brown Shipley Holdings, is to become chairman of Avon Rubber on January 23, succeeding Mr Hugh Rogers, who is retiring from the post, but remains on the board.

Mr A. G. Hatchett, Dr R. Leach and Mr H. F. Spence will be joining the board of P & O as executive directors from January 1. Mr C. J. Nancarrow has resigned.

Mr James McDonald has been appointed a director of Robertson Foods.

Mr Ian Morrow has been made a non-executive director of DAF Trucks (GB).

Mr Bernard Price has been appointed chairman and Mr John Pierce managing director of Sleepers, part of the Simmons group. They succeed Mr Donald Drexler who is to become president of Simmons Canada.

Mr G. Allen, deputy man-

aging director of The Carpet Manufacturing Co, has additionally been made a director of Carpets International Group Services. Mr C. M. Plimbe, managing director of Crozier Yarns, joining Mr Allen as a deputy managing director of CMC. Mr C. D. Mann becomes sales and marketing director. Mr R. Walton, production director of Carpets International (Northern), succeeds Mr Plimbe.

Mr Alton W. Whitehouse has been elected chairman and chief executive officer of Standard Oil, succeeding Mr Charles E. Spahr, who is retiring.

Mr Benjamin Allen has been made a director of Kellogg Holdings.

Mr Robert Taylor, MP for North West Croydon, has been elected chairman of the Building Materials Export Group.

Mr Aubrey Goldsmith has been appointed joint managing director,

together with Mr Bernard Dykes, of J. Dykes (Holdings) and its subsidiaries.

Mr Gordon Collins has been appointed to the boards of Music for Pleasure and World Records.

Mr John Willsher, managing director of RMI Medical, has been deputy chairman. He is succeeded as managing director by Mr Derek Foran.

Mr J. G. Lithby has become a non-executive director of Transport Development Group.

Mr A. S. Noble and Mr J. W. Roberts have been made directors of Debenhams (Properties).

Mr J. M. Riblat has left the board.

Mr Frederick Lewis has become managing director of Napcoform.

Mr Charles Plant continues as executive chairman.

Mr Roger Roemer has been appointed a non-executive director of Ley's Foundries & Engineering.

### McDermott resumes talks with Babcock

J. Ray McDermott, the New Orleans-based offshore oil rig builder, says it has resumed talks with representatives of the American Babcock & Wilcox engineering group concerning McDermott's acquisition of the balance of the Babcock & Wilcox shares.

Under a tender offer, McDermott had acquired 49 per cent of the Babcock stock and has been negotiating to acquire the rest.

Last week, J. Ray McDermott said that negotiations were stopped in response to inquiries by United Technologies Corporation about that company acquiring McDermott.

In September, the New York Stock Exchange investigated certain stock transactions which took place during the \$700m takeover bid for Babcock and Wilcox, the steam and nuclear power company. A Stock Exchange official said that the preliminary review had indicated that trading was fair and orderly.

### International

#### Rembrandt Group

Rembrandt, the South African technical and investment group made an after-tax profit of 39.6m rand (about £22m) in the six months ended September 30. The company said that income does not accrue evenly throughout the year. The greater part of income for the review period was derived from foreign sources. Capital commitments at September 30 totalled 26.9m rand.

HUTCHISON INTERNATIONAL Hutchison International and Whampoa Dock shareholders have voted in favour of proposed merger. If Supreme Court approves merger will take effect December 31. Dealings in Hutchison Whampoa should start January 3.

### A year of significant growth for 'W' Ribbons

'W' Ribbons Holdings Limited—manufacturers of cargo handling devices, motor car safety belts, and a wide range of industrial webbings.	Results for the year to 30th June (£'000)	1977	1976
	Turnover	15,170	14,821
	Profit before tax	1,085	910
	Profit after tax	608	748
	Dividend per share	2.248p	2.01p
	Earnings per share	14.22p	18.47p

- During the year, the U.K. companies reported more than 45% of their sales turnover—amounting to over £4 million.
- Recent rights issue will enable Group to take advantage of current increase in demand for its products and of future opportunities as they arise.
- Acquisition of outstanding 25% interest in Loft (UK) will allow Group to make the most efficient use of its available resources.
- Board expect to recommend dividends for year to 30th June 1978, on the increased capital, of 3.5p net per share—an increase over the level proposed for 1977 of 4.1p.
- Turnover of the Group for the 3 months ended 30th September 1977 was satisfactorily ahead of the level of the comparable period last year.
- Directors are confident that, in absence of unforeseen circumstances, Group will enjoy a successful year in 1977/78.
- Flexible, semi bulk containers: World-wide sales of the Loft range of patented flexible one tone containers have been established. The containers are suitable for carrying any form of powdered or granular product safely, economically and cleanly.
- They save the user two precious commodities—time and money.

'W' Ribbons Holdings Limited  
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**THE TIME**







# Christmas Gift Guide

For Everyone

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Super Colour Swinger £15.25  
Super Colour Swinger III £19.25  
Remember low Argos prices on Polaroid films too!



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## COOKING FOR YOUR HEART'S CONTENT

The British Heart Foundation has produced a new book, **COOKING FOR YOUR HEART'S CONTENT**. This book is a collection of recipes that are both delicious and healthy. It is a perfect gift for the woman who loves to cook.

## THE BRITISH HEART FOUNDATION

The British Heart Foundation has produced a new book, **COOKING FOR YOUR HEART'S CONTENT**. This book is a collection of recipes that are both delicious and healthy. It is a perfect gift for the woman who loves to cook.

## ANDREW STUART TWEEDS

Andrew Stuart Tweeds is a well-known name in the world of fashion. His designs are both stylish and practical. He is a perfect gift for the woman who loves to shop.

## BOARDS SUPERS

Boards Supers is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

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The First Cuckoo is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## THE JOY OF GIVING

The Joy of Giving is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

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The Unusual Gift is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## THE PERFECT GIFT

The Perfect Gift is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## THE ULTIMATE GIFT

The Ultimate Gift is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

For Everyone

## L'Uomo Elegante

Christmas bargains in top quality Italian clothes

Cheese do China shirts, retail price £20.00, our price £15.00. 20% off all other items. 20% off all other items. 20% off all other items.

## WE ARE DEARLY HIDDEN

We are delectably hidden—tucked away in the heart of the city. We are a perfect gift for the woman who loves to shop.

## L'UOMO ELEGANTE

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## WE HAVE JUST OPENED A NEW

We have just opened a new fashion department at 12 Great Marlborough Street, W.1. Situated very close to Oxford Circus.

## 7" HIGH CORINTHIAN

Hour—Strike and Repeat Button. Silver weight 51 gms. 100 World Wide.

## Charles & Co Ltd

45, SOUTH AUDLEY ST. LONDON W1 ENGLAND. Telephone 01-489 1185/6

## WILD BIRD

Wild Bird is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## GIVE SOMEONE A NEW LOOK FOR CHRISTMAS

Give someone a new look for Christmas. The new look is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## 15/17 NEW CROMWELL ST. W.1

15/17 New Cromwell St. W.1. Ring 487 4048 for details

## GIVE A BOOK THIS CHRISTMAS

Give a book this Christmas. The book is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## SCHOOL OF MUSIC

School of Music is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

## FOR SALE

For sale is a collection of design ideas and inspiration. It is a perfect gift for the woman who loves to shop.

For Everyone

## THE TIMES CHRISTMAS GIFT GUIDE COMPETITION

The hand that wields the pen writes a gripping word. Or so last year's letter writing competition made us believe. So this year we would like to test your powers of persuasion even more by asking you to draft an official epistle.

So, at the same time as solving your present problems, write a letter and win yourself one of these fabulous prizes.

## A Beer Pack. 24 bottles

Lowenbrau Beer, one of the world's most famous beers.

## B.A. 3lb presentation box of

Bendicks hand made chocolates.

## C. Liqueurs Pack. 1/2 bottle

Bols Apricot Brandy. 1/2 bottle Bols Cherry Brandy. 1/2 bottle Bols Creme de Menthe. 1/2 bottle Bols Dry Orange Curacao.

## D. Wine Pack

1 bottle Veau Cliquet Yellow Label Champagne. 1 bottle Croft Original Sherry. 1 bottle Croft Distinction Port. 1 bottle La Cour Pavillon 1973.

## E. A box of 25 Bolivar

Bonita Havana Cigars.

## HOW TO ENTER

First study the guide carefully. Then answer in full three simple questions. (The answers are all in the advertisements in today's Guide.)

## Christmas Gift Guide Competition Number 14

Clue: You will possibly be using one for your Turkey this Christmas?

## Clue: You will find this behind the Iron

Clue: Where can you get gifts for under £10?

## Now put yourself in Santa's snow boots.

Your sleigh is so laden and time so short that you're not likely to consider traffic wardens every time you pull Rudolph to a stop. Imagine your reaction when you are summonsed for parking in a restricted zone.

## Then write a 100 word letter to the Clerk of the Magistrates.

You are going to plead mitigating circumstances. After all The Times Christmas Gift Guide has made so much extra work this year you can't be expected to notice every yellow line. And remember, a touch of joviality will probably soften the judicial heart.

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Queries in connexion with advertisements that have appeared, other than cancellations or alterations, tel:

Classified Queries Dept.  
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Deadlines for ads: 12 noon for day after, 5.30 pm for day after tomorrow.

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DEATHS

CARPENTER—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Carpenter, aged 78, died after a long illness. He was the husband of Mrs. Mary Carpenter, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

COLE, STELLA MAUD—On December 5th, at her home, 10, St. John's Road, Hammersmith, London, W.12, Mrs. Stella Maud Cole, aged 78, died after a long illness. She was the wife of Mr. John Cole, nee Jones. She was a member of the St. John's Church, Hammersmith. She was buried in the churchyard on December 8th.

COURAGE—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Courage, aged 78, died after a long illness. He was the husband of Mrs. Mary Courage, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

DAVIS—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Davis, aged 78, died after a long illness. He was the husband of Mrs. Mary Davis, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

JEFFERSON—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Jefferson, aged 78, died after a long illness. He was the husband of Mrs. Mary Jefferson, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

PARSONS—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Parsons, aged 78, died after a long illness. He was the husband of Mrs. Mary Parsons, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

PERKINS—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Perkins, aged 78, died after a long illness. He was the husband of Mrs. Mary Perkins, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

ROBERTS—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Roberts, aged 78, died after a long illness. He was the husband of Mrs. Mary Roberts, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

SMITH—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Smith, aged 78, died after a long illness. He was the husband of Mrs. Mary Smith, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

TAYLOR—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Taylor, aged 78, died after a long illness. He was the husband of Mrs. Mary Taylor, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

WILLIAMS—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Williams, aged 78, died after a long illness. He was the husband of Mrs. Mary Williams, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

YOUNG—On December 6th, at his home, 10, St. John's Road, Hammersmith, London, W.12, Mr. John Young, aged 78, died after a long illness. He was the husband of Mrs. Mary Young, nee Jones. He was a member of the St. John's Church, Hammersmith. He was buried in the churchyard on December 8th.

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PERSONAL COLUMNS

ALSO ON PAGES 30 AND 31

ANNOUNCEMENTS

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Pay it to charity instead

If your investment income is taxed to the limit, on interest-free loan to us of any unvested capital would make little difference to you... but all the difference in the world to us.

Even on a short-term loan we can put the income to work for you, helping to fund desperately needed research into Mental Health and allied projects.

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Brimley's Central Charity for Mental Health.

THE PROGRESS WE'VE MADE SHOWS HOW MUCH THERE'S STILL TO DO

With children, nearly half the population, we can now see the progress we've made. The progress we've made shows how much there's still to do.

UNWANTED—LOST

Unwanted—lost. If you have any unwanted items, please contact us. We will be happy to help you.

DIABETES

Diabetes. We will have to be conquered. And you can help to say when.

CANCER RESEARCH

Cancer research. We will have to be conquered. And you can help to say when.

WINTER BREAKS

Winter breaks. We will have to be conquered. And you can help to say when.

HOLIDAYS AND VILLAS

Holidays and villas. We will have to be conquered. And you can help to say when.

YACHTS AND BOATS

Yachts and boats. We will have to be conquered. And you can help to say when.

THAMES

Thames. We will have to be conquered. And you can help to say when.

FIRE! FIRE!

Fire! Fire! We will have to be conquered. And you can help to say when.

ANNOUNCEMENTS

Announcements. We will have to be conquered. And you can help to say when.

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HOLIDAYS AND VILLAS

MADRID HOGMANAY. We will have to be conquered. And you can help to say when.

ALIKARN TRAVEL

Alikarn Travel. We will have to be conquered. And you can help to say when.

IT'S THE BEST WAY TO TRAVEL

It's the best way to travel. We will have to be conquered. And you can help to say when.

WORLD WIDE ECONOMIC FLIGHTS

World wide economic flights. We will have to be conquered. And you can help to say when.

SKI SKI SKI

Ski ski ski. We will have to be conquered. And you can help to say when.

PORTUGAL

Portugal. We will have to be conquered. And you can help to say when.

SKI ITALY

Ski Italy. We will have to be conquered. And you can help to say when.

FLY WINDSOR

Fly Windsor. We will have to be conquered. And you can help to say when.

USA, CANADA, ETC.

USA, Canada, etc. We will have to be conquered. And you can help to say when.

SWITZERLAND

Switzerland. We will have to be conquered. And you can help to say when.

EUROPE

Europe. We will have to be conquered. And you can help to say when.

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HOLIDAYS AND VILLAS

Rain dear. We will have to be conquered. And you can help to say when.

PRE-CHRISTMAS

Pre-Christmas. We will have to be conquered. And you can help to say when.

SKI

Ski. We will have to be conquered. And you can help to say when.

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